Daily Report

Latin America

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FBIS-LAT-93-174 *10 September 1993*

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Argentina, Cuba, El Salvador Sign Memorandum

PY0909204593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1808 GMT 9 Sep 93

[Text] Buenos Aires, 9 Sep (NA)—Today, Argentine Justice Minister Jorge Maoirano signed a "memorandum of understanding" on juridical assistance and technical cooperation with his Cuban counterpart Carlos Amat Flores, and another one with Salvadoran Vice Minister Ruben Antonio Mejia Pena.

The agreements were signed "with the purpose of drafting a joint program to establish assistance and cooperation ties regarding juridical technicalities and thus strengthen existing friendship ties between these countries."

This cooperation will consist "in exchanging assistance, information, bibliography, training, specific projects, joint research work, technological development applied to issues of common interest, and others that will contribute to the modernization of the institutions involved in the administration of justice."

The second article of the agreements establishes that "initially, this assistance and technical cooperation will be used in the prevention of crime." The agreements are in force as of today, after their signature, and they will have a tenure of three years.

The respective memorandas of understanding were signed by Maiorano and his Cuban and Salvadoran counterparts, within the framework of the Conference of Latin American Justice Ministers, which is being held in Argentina as of 6 September and ends on 10 September.

Cuban Minister at Conference on Prison Objectives

PY0909175893 Madrid EFE in Spanish 2139 GMT 8 Sep 93

[Text] Buenos Aires, 8 Sep (EFE)—Today, Cuban Justice Minister Carlos Amat maintained that in his country "only 1.7 percent of the total prison population has been sentenced for crimes related to drugs."

The Cuban official spoke today at the Latin American Justice Ministers Conference being held in Buenos Aires. He stated that the people "in transit between the large producers of the South and the juicy markets of the very large consumers of the North," who have been arrested by Cuban authorities, must also be included in this percentage. And he made it clear that "severe punishment has been meted out" in these cases.

Amat harshly criticized the penitentiary system that existed prior to 1959, which he termed "inhuman" because "permanent violations of the most elemental principles of prisoners' dignity" were the order of the day then. He added that "prison overpopulation, promiscuity, and corporal punishment" were the common denominators.

The minister stated that his country's current penal code states: "Those who have been punished must be re-educated, they must be instilled with honest attitudes toward work, comprehend that there must be strict compliance with the laws, and respect the norms of socialist coexistence."

The Cuban official said the current penitentiary system "is designed in such a way that it contributes to the education of the prisoners' behavior habits so they can be correctly reinserted into society once they have complied with their sentences."

Amat also referred to the cases of those prisoners who have AIDS, and said: "They are not excluded from assistance, and each of Cuba's regions has specialized wards that deal with the admission, attention, and treatment of prisoners who are affected."

Colombia-Caricom Trade Talks Stall on 'Asymmetry'

FL0909161393 Bridgetown CANA in English 1440 GMT 9 Sep 93

[Report by Colin King]

[Text] Georgetown, Guyana, Sept 9, CANA—The Caribbean Community Secretariat is to consult with Caricom heads of government on "certain principles" involved in negotiations on a trade and economic pact with Colombia, after a recent initial round of negotiations revealed some differences.

An important difference surrounds the level of reciprocity or "asymmetry" in the proposed agreement, Caricom Secretary General Edwin Carrington told a news briefing. "We have reached a stage now where we have to return to the heads of government to get clearance on certain principles before we can go any further," Carrington said.

The heads of government will be consulting individually or, if necessary, jointly when they gather in Port of Spain October 13 for a meeting with the so-called group of three—Colombia, Mexico and Venezuela.

Caricom is seeking an agreement similar to a trade and investment pact signed with Venezuela last year and effective January 1, 1993 under which Caricom goods enjoy duty-free or phased duty-free access to Venezuela on a non-reciprocal basis for five years, after which the agreement will be reviewed.

Secretary General Carrington said the Colombians from the outset indicated willingness to offer an "asymmetrical" trade arrangement but when the discussions started late August the level of concession offer to Caricom was lower than expected. "The Colombians had made the point that they are interested in an asymmetrical relationship.

"There are a number of permutations you can have ... We would like a better asymmetrical one than seems to be emerging in the discussions," Carrington said, without specifying the level of difference between the Colombian offer and Caricom's expectations.

The Venezuela-Caricom trade and investment agreement involves no undertaking for reciprocity over its five years, or of any renewal although the agreement provides for review after the initial five years.

Cuba

Foreign Minister Promises 'Cautious' Reforms

PA1009020293 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Sep 93

[From the "Information Service" newscast]

[Text] In Havana, Cuban Foreign Relations Minister Roberto Robaina said that there will be cautious political and economic reforms in keeping with the country's needs and realities. He added that our political model must continue to be faithful to the word revolution, which founded it.

In statements to the British press agency REUTERS, Robaina outlined a vision of flexible and pragmatic changes, not limited by past or current ideological models or stereotypes. Cubans want to become what our own reality leads us to become, the Cuban foreign minister added. He remarked that Cuba seeks to build a model that combines a strong state presence in strategic sectors of the economy with increased foreign investment, a limited number of private enterprises, and, on a smaller scale, selected businesses and manufacturers.

The Cuban foreign minister stressed to REUTERS that given the circumstances now facing the revolution, alternatives to the power structure should not be encouraged, as that might jeopardize a project we want to defend at all costs.

Roundup of Economic Activity Reported 27 Aug to 9 Sep

FL1009010193

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 27 August and 9 September.

Radio Rebelde at 1155 GMT on 27 August reports that "two hospital centers in Santiago de Cuba have received almost 3 tons of medicine and medical instruments donated by the Pastors for Peace to the people of Cuba."

Radio Reloj at 1433 GMT on 27 August reports that housing construction is increasing in Guantanamo Province, which builds housing at an unprecedented rate: 625 houses have been finished so far this year, which is 200 more than those built in the same period in 1992. The 1993 target figure is 2,000 houses, to include over 400 conventional homes and 1,397 material-efficient homes. The remainder fall under military construction.

Radio Reloj at 1439 GMT on 27 August reports that three 12-passenger planes have been prepared, in Sancti Spiritus, for use in transporting tourists from Trinidad to different parts of the country. Foreign tourists will be able to use these planes to fly to Varadero Beach, Havana, Cayo Largo, Santiago de Cuba, and other tourist hubs. Such work is part of the measures aimed at improving the quality and speed of services for foreigners because foreigners bring hard currency into the country.

Radio Rebelde at 0900 GMT on 28 August reports that UNICEF has donated 5 tons of baby food to the Juan Marquez Hospital in Havana. It is further reported that following a leadership change, the Juan Manuel Ameijeiras minicontingent was named the best in the Quivican region. The contingent has harvested over 75,000 quintals of vegetables and tubers of the annual plan of 113,000. They plan increased use of animal traction to overcome the special period.

Tele Rebelde and Cuba Vision Networks at 0000 GMT on 29 August report that the fishing vessel Rio Salado has unloaded 3,157 tons of frozen fish, the largest catch of the 12 vessels involved in the North Atlantic fishing campaign.

Cuba Vision Network at 2220 GMT on 30 August reports the Capri Hotel in Havana, which has reopened after 45 days of remodeling, and with 100 percent of its 216 rooms ready for use, has brought in over $500,000 "in the recent first months of 1993." The hotel has brought in, so far this year, more money than during the same period in 1992, and saved 250,000 pesos in operating costs. The Capri reserves 1 percent of its rooms for Cubans and has a stable trade in tourists from Venezuela, Mexico, Colombia, and Spain. The hotel expects to reach 85 percent occupancy by next September, which could cause the hotel to bring in over $1 million before the end of the year.

Radio Reloj Network at 1935 GMT on 1 September reports that "with a view to increasing production of rum earmarked mainly for national consumption," the Sugar Industry Ministry [Minaz] has, since last year, been setting up installations for making rum at five distilleries: the Argeo Martinez, the Heriberto Duquesne, the Antonio Sanchez, the Habana, and the Antonio Maceo, located in Guantanamo, Villa Clara, Cienfuegos, Havana City, and Holguin respectively. During the first six months of 1993, 64,000 hectoliters of rum were produced, 93 percent of the amount scheduled to be produced by that time. Of the 13 distilleries in operation, most have rum-producing facilities [roneras], and Minaz aims for such installations in all of them. In addition to drinks, the distilleries produce various types of alcohol, from that used as home fuel to that which has industrial and medical uses.

Cuba Vision Network at 2220 GMT on 1 September reports that today, the Cuban enterprise (Turhoteles) and the Spanish hotel chain (Caguama Caribbean) officially began administration and commercialization operations of the Riviera Hotel in Havana and the (El Caguama) Hotel in Villa Punta Blanca, Varadero. Council of Ministers Vice President Osmany Cienfuegos and Spanish Ambassador Jose Antonio San Gil were present at kickoff ceremony. National Institute of Tourism President Rafael Sed Perez said this step begins a process of general remodeling of the Riviera Hotel, which will make it a five-star hotel. Ricardo Roquero, president of the (Caguama Caribbean) hotel chain, said his firm intends to collaborate in Cuba's tourism development and that the chain is also planning to build 3,000 rooms on Cayo Coco and two new hotels in Varadero.

Radio Reloj at 1953 GMT on 9 September reports that 435 caballerias of cane, an unprecedented figure, were planted in Granma Province during the first two months of the current, cold-season, planting campaign; in September, some 130 caballerias are scheduled to be planted, a goal considered difficult. Of the total amount of land planted in sugarcane 15 percent still needs weeding, despite the fact that some 7,000 caballerias were weeded in July and August.

Decree Law on Independent Labor, Taxation Announced

FL0909134993 Havana Radio Progreso Network in Spanish 1128 GMT 9 Sep 93

["Text" of Council of State Decree Law 141 on Independent Labor—read by announcer]

[Text] Fidel Castro Ruz, president of the Council of State of the Republic of Cuba: I hereby announce that the Council of State has agreed on the following: Inasmuch as the conditions of the current special period make it necessary to expand independent labor [trabajo por cuenta propia], resulting in the necessity to annul and replace in its entirety Decree Law 14 of 3 June 1978 and its appended resolutions, the Council of State, by the authority conferred by Clause C of Article 88 of the Cuban Constitution, promulgates the following Decree Law 141 regarding the performance of independent labor:

Article I: The performance of independent labor is ratified and expanded for those individuals with the aptitude and resources. Decree Law 14 of 3 June 1978, regarding the performance of independent labor, with its appended resolutions, is hereby annulled and the State Committee for Labor and Social Security is charged with determining the jobs which could be performed independently; the regulations for those people authorized to perform these jobs; the performance requirements; the marketing of products and services provided; and the regulation, supervision, and control of said jobs.

Article II: Independent laborers will register in the taxpayer registry following the payment of a fee corresponding to said registration. The amount, manner of payment, and other conditions will be determined by the State Committee for Finance.

Article III: A tax is hereby established on the performance of independent labor, which will initially consist of a fixed, monthly fee which will be exacted from those people who register for this purpose in the taxpayers registry. The State Committee for Finance will set the monthly fee and manner of payment of said tax, as well as other pertinent regulations, until a system of fixed fees is established. The State Committee for Finance is authorized to implement, as deemed necessary, a variable tax scale proportional to profits, replacing the fixed, monthly rate, over the total or a portion of the independently performed labor.

Article IV: Those who work independently are subject to state inspection of the quality of products made and services provided, and of adherence to regulations in this respect, which may be promulgated by the bodies of the central administration of the state. They are therefore obliged to permit the free access to their place of work of those state officials assigned to inspect and control their operations. Independent workers are required to present documents, materials, and information upon request.

The Decree Law on Independent Labor has three final Regulations:

First: The State Committee for Finance will regulate the procedures by which the tax created by the above decree law is paid and will regulate all other issues regarding this tax.

Second: The registration of independent workers in the taxpayers registry will remain currently in effect until canceled or nullified.

Third: Any regulations of equal or lower force, which contradict that established by the above decree law, which will take effect upon its publication in the Official Gazette of the Republic, are hereby annulled.

Promulgated in the Palace of the Revolution in Havana on 8 September 1993. Signed: Fidel Castro Ruz.

New Law Defines Self-Employment

PA0909135293 Havana Radio Havana Cuba in Spanish 1300 GMT 9 Sep 93

[Text] The Cuban Council of State issued a law decree that ratifies and broadens the definition of the self-employed in Cuba. The measure, published in GRANMA, specifies that those who are self-employed will have to register their names with the tax roster and initially pay a fixed amount to the state. Law Decree No. 441 will take effect from the time of publication in the official gazette.

[Paris AFP in Spanish at 1147 GMT on 9 September reports: "The Cuban Government has authorized, as of today, Thursday, self-employment 'as a complement to state activity' and lists 117 jobs artisans may perform 'without employing paid personnel.'

GRANMA Lists Jobs, Fees

FL0909152593 Havana Radio Progreso Network in Spanish 1134 GMT 9 Sep 93

[Text] The central pages of today's [9 September] edition of GRANMA carry Joint Resolution No. 1 of the State Committee for Labor and Social Security and a list of the specific independent jobs that can be performed, with the corresponding fixed monthly fees. Labor activities to be performed independently:

Transportation and Support Work:

Muleteer—20 pesos; oxdriver—20 pesos; pushcart worker—20 pesos; wheelbarrow worker—30 pesos; wagon worker—60 pesos; driver—60 pesos; taxi driver—80 pesos; bicycle or tricycle cargo carrier—30 pesos; tire repairman—30 pesos; bicycle repairman—40 pesos; mechanical and motor repairman—45 pesos; vehicle

painter—45 pesos; messenger—exempt; auto electrician—45 pesos; car battery repairman—45 pesos; car washer—20 pesos; and vehicle lube work—30 pesos.

Home Repair Sector:

Mason—40 pesos; carpenter—45 pesos; locksmith—40 pesos; electrician, including repair of electric and electronic equipment—45 pesos; blacksmith—35 pesos; painter—40 pesos; plumber—40 pesos; floor polisher—40 pesos; plaster or putty worker—30 pesos; glass worker—30 pesos; roofer—30 pesos; and stonemason—30 pesos.

Agriculture Sector:

Oxdriver or carter—20 pesos; yoke maker—20 pesos; charcoal maker—20 pesos; miller—40 pesos; kiln worker—30 pesos; saddle and harness repairman—40 pesos; thresher—40 pesos; horseshoe and nail maker—45 pesos; farrier—20 pesos; ornamental plant and flower grower or vendor—45 pesos; dairy products maker, such as cheeses, etc.—50 pesos; preserves maker—50 pesos; coffee or other grains roaster—40 pesos; woodcutter—20 pesos; road and fence repairman—20 pesos; and palm trimmer—exempt

Family or Personal Services:

Musical instruments repair or tuning—45 pesos; clothing rental service—45 pesos; barber—35 pesos; knitter or embroiderer—30 pesos; upholstery button maker—20 pesos; photographer—50 pesos; shoeshiner—20 pesos; manicurist—30 pesos; typist—30 pesos; seamstress or tailor—40 pesos; hairdresser—40 pesos; haircutter—45 pesos; laminator—30 pesos; watch repairman—40 pesos; costume jewelry repairman—40 pesos; eyeglass repairman—20 pesos; lighter repairman—20 pesos; umbrella and parasol repairman—30 pesos; shoe repairman—30 pesos; shoemaker—45 pesos; cook—30 pesos; short-order cook, such as sodas, ice cream cones, fritters, etc.—30 pesos; broom, brush, and similar products maker—40 pesos; mattress repairman—40 pesos; masseur—45 pesos; refrigeration equipment repairman—45 pesos; metal polisher—30 pesos; makeup artist—45 pesos; radio and television antenna maker or installer—60 pesos; jewelry and silver articles repairman—45 pesos; wicker items maker or repairman—50 pesos; janitor, domestic charperson, health care giver, and newspaper vendor— exempt; fumigator—40 pesos; child care worker and housing unit night watchman—exempt.

Domestic Services:

Water carrier—30 pesos; knife sharpener—20 pesos; decorator—35 pesos; engraver—30 pesos; gardener—30 pesos; laundry service—20 pesos; audio equipment operator—50 pesos; box spring repairman—30 pesos; stove repairman—35 pesos; electric and electronic equipment repairman—45 pesos; sewing machine repairman—35 pesos; upholsterer—45 pesos.

Others:

Craftsman—45 pesos; iron worker—45 pesos; physical fitness trainer—45 pesos; natural resources collector—30 pesos; coal vendor—20 pesos; herb vendor—30 pesos; computer programmer—40 pesos; tinsmith—40 pesos; book binder—20 pesos; welder—45 pesos; auto body worker—45 pesos; lathe operator—45 pesos; motor, bobbin, etc. recoiler—45 pesos; saddlery worker—30 pesos; raw materials collector—exempt; agrarian products collector or vendor—30 pesos; pet breeder—50 pesos; pet trainer—50 pesos; metal cutter—45 pesos; fabric dyer—30 pesos; children's party entertainer, clown, magician, etc.—50 pesos; and pottery worker—45 pesos.

Joint Resolution on Labor

FL0909140993 Havana Radio Progreso Network in Spanish 1143 GMT 9 Sep 93

[Joint Resolution No. 1 issued by the State Committee for Labor and Social Security and the State Committee for Finance in City of Havana on 8 September]

[Text] Whereas: In the present conditions of the special period in which the country's economic activity has been affected by the lack of material resources of various types, it is advisable to expand the sphere of independent labor carried out by persons with the aptitude and resources for such activity;

It is necessary to provide the organization and establish the required order to ensure that independent labor responds to particular principles that favor its development in all areas that are useful to the people, while keeping the practice of it from taking on harmful forms;

Therefore:

Exercising the powers conferred upon us, we hereby determine who may exercise this authorized activity.

1. The following persons are authorized to engage in independent labor, as long as they meet the requirements established in this resolution: Workers assigned to work centers, including graduates from middle level technical schools. Leaders are excluded.

People, who have retired for whatever reason, as well as those who have reduced working ability. Surplus workers or those who recieve subsidies because of reductions in force or paralyzation of activities at their work centers. Those who are unemployed for reasons beyond their control and housewives.

2. University graduates are not authorized to engage in independent labor. Health and education services will continue to be provided by the state to all people, free of charge. All doctors, dentists, teachers, professors, and researchers will have a job guaranteed by the state. So will all other university graduates, who must apply their knowledge to the country's needs for the benefit of the entire society, which has paid totally and freely for their training.

3. In the case of workers who receive subsidies as a result of the current economic difficulties, the subsidies will be

reduced or eliminated if that person engages in independent labor and receives income that justifies such action. However, the worker cannot be exonerated from his obligation to return to the work center to which he is assigned if prevailing conditions in the country so demand.

4. The list of authorized independent work occupations may be reduced or increased as dictated by experience or the country's convenience. Practicality and the needs of the population will prevail.

5. In territories having a labor force deficit or important economic activities, the municipal administration council may decide, at the proposal of the corresponding labor directorate, to restrict access to that activity by unemployed persons or workers who seek to leave their work center to devote themselves to independent work full time.

6. The following are requirements for engaging in independent labor:

The citizen must be duly registered as an independent worker with the authorization of the municipal labor directorate in consultation with, or at the proposal of, the People's Council where he resides.

The authorized person must carry out the activity without employing salaried workers. A worker assigned to a work center must demonstrate that he complies with labor discipline.

7. Unauthorized activities will be prevented by the pertinent and appropriate measures.

8. Direct sale to the population of products or services provided by these workers is allowed. Measures, however, will be adopted to forestall an excessive proliferation of vendors, especially in particular areas. In some areas, these activities will be strictly forbidden. An attempt will be made to prevent, at all costs, the emergence of intermediaries or parasites, who make profits and enrich themselves on the efforts of others.

9. The state may intervene in marketing by using mechanisms similar to those used by commission agents or other methods that are of public or social benefit.

10. Prices and conditions, as a rule, will be agreed upon by the seller and purchaser. In cases of abuse or of clearly excessive profits, prices may be regulated by the People's Councils.

11. State entities may not obtain services or products from independent workers, except for transportation by draught animals, activities linked to agriculture, and services authorized to the State Committee for Labor and Social Security. The municipal administration council may, at the request of the interested parties, grant special authorizations to state agencies to acquire services and products that cannot be reasonably acquired through state means. Nevertheless, the local food industry is authorized to purchase from independent workers products that are useful to the population, as usual.

12. These functions will be exercised by municipal labor directorates in close cooperation with the People's Councils, with the support of the municipal administration council, which will decide when other organizations or institutions must engage in such activities and how they will do so.

13. Authorizations to engage in such labor will be granted by the municipal labor directorates after consultation with the People's Councils so as to exercise local control over these activities appropriately to the needs of each area. In addition, the finance directorate will participate by collecting the monthly fee and will inform the labor directorate when such fees are not paid.

14. The People's Councils should not be assigned administrative, statistical, or similar functions. These tasks, which should be minimal, will be carried out by the municipal labor and finance directorates, as appropriate, according to the procedures established. State committees for labor and social security and for finance, each within its own area of competence, will establish the pertinent regulations. Directorates of these committees in the territories will maintain permanent control over this activity.

15. No progressive tax will be applied, since that process is considered to be too complex for this first phase of independent labor. The application of that tax in the future is not ruled out.

16. The amount of the monthly fee to be paid will be determined by the municipal administration council at the proposal of the labor and finance directorates at that level, based on a minimum quota set for each occupation, as listed in the annex to this resolution. This minimum quota may be increased appropriately in the event that the people involved obtain excessive profits.

17. The municipal administration council will present other activities not listed in the attached list to the labor and social security committee for approval.

18. The state must not withdraw from any activity because of the emergence of independent labor. This activity must be seen as a complement to state efforts.

19. Preference will be given to the establishment of economic links that guarantee a control, which is more effective than the administrative controls. Economic control over marketing, the possible sale of raw materials, transportation, the use of sites, and other variants must be achieved.

20. In cases where the independent laborer efforts are very necessary to the community in which he works, the appropriate administrative authorities may, at the request of the People's Councils, arrange for the sale of existent raw materials to the independent laborer.

21. The municipal labor directorate will coordinate with public health authorities for their participation in health inspections of those products and services that require this.

Final Provisions:

1. Joint Resolution No. 23 of the State Committee for Labor and Social Security of 23 December 1985 is hereby revoked, as are all other provisions of equal or lesser force, which are contrary to the current resolution.

2. This is to be published in the Official Gazette of the Republic for general knowledge and will go into effect on its date of issue. It is to be filed in the Legal Advisory Directorate of the State Committee for Finance and in the Directorate of Labor Legislation of the State Committee for Labor and Social Security.

Issued in the City of Havana on 8 September 1993.

[Signed] Jose Luis Rodriguez Garcia, minister president of the State Committee for Finance

[Signed] Francisco Linares Calvo, minister president of the State Committee for Labor and Social Security.

Registry Principles Revised

FL0909233893 Havana Radio Reloj Network in Spanish 1930 GMT 9 Sep 93

[Text] Domestic Trade Minister Manuel Vila Sola has explained that Decree-Law No. 134 regarding the commercial registry (?drawn up) by the executive committee of the Council of Ministers constitutes a system for protecting the nation's commercial rights, that is, the state institutions.

The aforementioned was learned at a meeting held in Havana with different Cuban economic sectors, during which information was provided regarding the implementation of the decree law revising the principles of the commercial registry. All units and establishments trading in both national and foreign currencies will have to register in the central commercial registery.

Domestic trade units or establishments selling consumer goods, either wholesale or retail, providing food services, public food programs, hotel services, performing services of a commercial nature, and others are to register in this system of commercial protection.

Requests to register in the central commercial registery are to be presented to the provincial commercial authorities, where the establishment is located, and these authorities are to process the requests within a maximum of 30 days following receipt of the request.

Decree-Law No. 184 [as heard] stipulates that certain documents absolutely must be presented in order to prevent the rejection of requests for registration, update, or renewal from units that operate with both national and foreign currencies. Establishments that operate with both Cuban and foreign currencies must be registered in both sections of the commercial registery.

Revision of the commercial registery is taking place because of trade development in hard currency, increases in international economic activity, foreign investments in Cuba, tourism increases, and the situation of the country's commercial networks because of the special period.

CIEM Director on Excess Circulating Currency

FL0909210193 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Sep 93

[Third installment of interview with Osvaldo Martinez, director of the Global Economy Research Center, CIEM, and president of the Economic Affairs Commission of the National Assembly of the People's Government, ANPP, by Radio Havana Cuba journalist Barbara Betancourt; date and place not given—recorded]

[Text] [Betancourt] You mentioned the excess money in circulation. Whenever we talk, we say this problem will not be resolved until supply equals demand. Is this the only way to resolve the problem of excess money in circulation in Cuba?

[Martinez] If we think in what I would call ultimate terms, that is, a final solution: The optimal solution, to define it better, would be an equilibrium between the supply of goods and services and the money in the hands of the population.

Now, since we are not talking in terms of that optimal ideal, but rather in terms of the present situation, it is obvious that the excess money in circulation is an especially complicated problem for the Cuban economy, and is probably the problem we would have to attack with the greatest vigor. I believe the solution to this problem will determine whether there is a possibility of applying another group of subsequent measures to stabilize and normalize the economy. Of course, this has a lot to do with the necessary reactivation of the Cuban economy and with raising the currently low production levels.

Of course, this mass of some 9 billion pesos, which is in circulation today, has very negative economic effects, the most important of which is that it serves as a disincentive to work: to work attendance, efforts on the job, and job efficiency. I believe this is a very important factor, which is aggravated by the fact that it creates a kind of vicious circle. The wider the gap, the greater the amount of money that is not backed up by goods and services, the greater the disincentive to work and the lower the production. In short, a veritable vicious circle is created that must be broken.

To counter this, there are different kinds of measures. I believe this is a debate to which we are currently committed, both in the parliament and in the entire Cuban society. I think that in the present circumstances, we are all becoming economists to some extent. We are becoming familiar with and beginning to use terms that are not our usual language. We have seen this even in popular language over the past few months. The people realize that this problem has to be resolved.

Returning to the ANPP Economic Affairs Commission, I would say that in our coming conferences and debates we plan to pay special attention to this problem of excess money circulating and possible ways to cope with it.

Former Diplomat Views Cuba-Caricom Trade

FL0909182093 Bridgetown CANA in English 1727 GMT 9 Sep 93

[Third of a three-part feature series on Cuba by Ron Sanders]

[Text] Bridgetown, Barbados, Sept 9, CANA—It is difficult to see what practical trade benefits could derive for the countries of the Caribbean Community (Caricom) from the suggested joint commission with Cuba. And, if trade benefits is the principal reason why some governments, which have long eschewed relations with Cuba, are now ready to do business with Havana they should think again.

Cuba does present unique opportunities for Caricom countries but despite its population of 10 million people it is not now a market for Caricom's principal products.

The island produces all the main agricultural produce that Caricom does, and it now imports products similar to Caricom's manufactured items at a cheaper price or in trade arrangements with established partners such as Spain, Canada, Mexico, and China. For instance, in the case of rice, Cuba does not produce sufficient to satisfy its needs and could, conceivably, buy rice from Guyana. However, Cuba buys rice from China, which in turn purchases sugar from the island. The two are able to set off the cost of each other's purchases settling only the balance in hard currency. In this circumstance, it would make little sense for Cuba to alter its arrangements with China to buy Guyana rice.

But, while the opportunities for trade benefits for Caricom countries in Cuba appear doubtful, there is certainly an opening for Caricom businessmen in joint ventures with the Cuban Government. Cuba has shown a marked willingness to enter joint ventures with foreign entrepreneurs with capital and managerial know-how, which the country needs. In this connection, Caricom businessmen would benefit from more missions to Cuba to examine where they could best invest. Tourism and light manufacturing immediately recommend themselves.

There is good reason for Caricom businessmen to consider Cuba at this time. For, despite the U.S. trade embargo, Cuba could still enjoy fairly rapid growth in its agro-industrial sectors that would pose a threat to similar sectors in Caricom states.

In this context, the beginning of a process of integrating the Cuban market with that of Caricom through investment could allow the regional grouping to moderate the danger to its own industries while sharing in the benefits of Cuban growth.

As it stands, Cuba's tourist industry already poses a threat to tourism in Caricom states. For instance, even now more European tourists go to Cuba than to Jamaica and the numbers are rising. In sun, sea and sand, Cuba matches other Caribbean tourist destinations. But, it has more to offer. Some of its towns are 300 years old and the architecture and buildings (even though in need of paint and dilapidated) are, by themselves, a tourist attraction.

The first statue of Christopher Columbus anywhere in the world stands on Cuban soil. And, the island has many monuments reflecting its interesting history. Cuba has many heroes including Jose Marti and Che Gueverra—the two best known names outside of Cuba. When I made this observation to a young Cuban university student after losing count of the number of monuments to heroes, she responded philosophically: "Two words—Spain and America—they have produced many Cuban heroes."

Cuba also has rich entertainment. The show at the world famous Tropicana Nightclub—now in its sixtieth year—is as good as the Follies Berge and the Crazy Horse in Paris or any show in London's West End or New York's Broadway. Even the in-house shows offered by the Hotel Nacional in Havana and the Melia in Varadero are of international standard.

Ballet and modern dance in Cuba are also among the best in the world and Cuba has 65 theatres. Excellent music, ranging from jazz through salsa to traditional folk, is literally everywhere. Restaurants offer strolling minstrels and clubs and hotels provide complete orchestras or bands.

With all of this, and flights from Canada and European cities directly into the tourist centre putting the tourist into his or her hotel within an hour of landing, Cuba does pose a serious threat to tourism in some Caribbean destinations.

Further, there is a growing sense that the U.S. trade embargo will not continue for many more years. When it ends—for whatever reasons it ends—Washington will be undoubtedly keen to bring Cuba back into the fold fairly quickly.

It is not implausible to foresee a scenario in which the United States, anxious to demonstrate the virtues of capitalism, accords every concession to Cuban goods including sugar, bananas and citrus entering the U.S. market. Add to concessionary market access U.S. aid and investment, particularly from the thousands of wealthy Cuban-Americans keen to recapture their country, and Caricom will suddenly be faced with a rival with which they cannot compete easily.

And, if Caricom remains a collection of individual producers rather than a single economic entity, its chances of competing successfully against Cuba will be even more slim.

Caricom also ought not to discount an economic and political concordat between a Cuba, free of the U.S. embargo, and the Dominican Republic. Such an alliance is almost compulsory in a world dominated by the single market in an expanded European Community and an operational North American Free Trade Agreement (NAFTA).

Cuba and the Dominican Republic share a language, a colonial history, a culture and many common experiences. A concordat between them would seem a natural development in efforts to bargain with NAFTA and the European

Community. This possibility makes even more urgent the need for Caricom states to address ways of integrating their economies with Cuba's now.

However, three of the Caricom member states still do not have diplomatic relations with Cuba. This is not for want of approaches by the Cuban Government, which has made it clear that it considers diplomatic relations with all Caricom states to be highly desirable. But, normalization of bilateral relations with Havana at the political level should precede participation in discussions on trade and other areas of cooperation.

The joint Caricom-Cuba Commission would have a range of issues before it. An important early consideration could be means to improve knowledge about Cuba in Caricom countries and vice-versa. It is readily evident in Cuba that there is little information about the Caribbean. A Cuban diplomat agreed that it is ignorance rather than knowledge that characterises the general Cuban perception of the region. No courses are taught in schools about the Caribbean—and apart from keen geography students—few have heard about Antigua, St. Kitts and Barbados.

The Latin American pages of the Cuban newspapers also carry very little about the Caribbean. From Caricom's standpoint, knowledge of Cuba and events there are limited mostly to reports from international news agencies with a particular perspective. There is an obvious need to improve this situation.

The universities of the West Indies and Guyana and the universities in Cuba could also mount joint programmes of research and study that would benefit both Cuba and Caricom.

Cuba's success in health care is legendary. The island now has 51,000 doctors, one for every 231 inhabitants. There are also 8,500 dentists. While the government admits to "material hardships," it is continuing medical training to meet the needs of the public. Caricom countries could benefit from Cuba's experience in primary health care.

At the same time, in a spirit of friendship for the Cuban people, Caricom governments should also engage Dr. Castro's government in discussions about means of establishing parliamentary democracy in Cuba, including a multiparty system and a free press. In the end, the establishment of such democracy is crucial to Cuba's medium and long-term future and the security of investment there.

There is no doubting the reverence which Cubans have for Fidel Castro. And, in a real sense, the Cubans may be enduring their current hardships because of loyalty to him and what he stands for. But, history has shown that the departure of a revered strong-man as leader creates uncertainty. Conditions of hardship and comparisons with the lot of neighbouring peoples could become potent forces for upheaval ultimately wrecking Cuba.

Other governments have obviously already started such discussions with Dr. Castro. The shifts from economic dogma which his government has made are clearly a response not only to practical necessity but also to urging from friendly governments who have more realistically assessed Cuba's position in a world with only one military superpower whose value system is rooted in Western democracy.

It is against this background that Cuba appears to present an opportunity for Caricom; an opportunity for Caricom businessmen to invest in Cuba's prospects, an opportunity for Caricom states to benefit from Cuba's investment in health and education, and an opportunity for Caricom governments to help in the process of a smooth and peaceful transition to a truly democratic system in a country whose people deserve it.

California Request To Stop Immigration Rejected

PA1009042793 Paris AFP in Spanish 0343 GMT 10 Sep 93

[Text] Mexico City, 9 Sep (AFP)—The Mexican Foreign Relations Secretariat reported on 9 September in a communique that the Government of Mexico has rejected a request from California Governor Pete Wilson to develop and implement, with the assistance of U.S. authorities, a plan to "stop the flow of immigrants through the common border." The document stressed that Mexican Foreign Secretary Fernando Solana termed Wilson's request "unacceptable," in addition to reiterating that in Mexico "there is freedom of movement; we can leave and enter our territory whenever we want."

According to different sources, approximately 1 million Mexican workers cross the border between both nations every year. Many of them travel to California, where the largest number of Mexicans reside abroad.

The communique recalled that Wilson had sent a letter to U.S. President William Clinton asking him to stop the ratification process of the North American Free Trade Agreement (NAFTA) to exert pressure on Mexico and force it into accepting the plan to stop the migratory flow. Solana, the Foreign Relations Secretariat communique added, "strongly rejected any initiative of this kind and described every proposal affecting the legitimate rights of Mexicans to move freely within their territory as unacceptable."

The Foreign Relations Secretariat did not mention that Wilson's proposal came after hundreds of Chinese citizens arrived in Mexican territory to cross into the United States and the fact that thousands of Central and South Americans use that nation to get to North America.

The Mexican foreign relations secretary noted that "the enormous contributions Mexicans have made to the State of California (one of the strongest economies in the United States) throughout its history" must not be forgotten. He highlighted that the work of Mexican citizens, whether legals or illegals, "has created wealth, which they have not always received the benefits of."

Solana added that "regardless of the sectors, which the Mexican labor force works in, it is certain that it meets a demand which the U.S. labor has been unable to satisfy." Solana indicated that Mexican migrant workers "sometimes suffer abuses and violations of their human rights," problems which have been stressed to U.S. authorities since Mexico maintains firm its policy of defending its nationals abroad.

The foreign relations secretary concluded that the objective of the Mexican Government is to create jobs, which will permit Mexican nationals to reach satisfactory standards of living. This will prevent Mexicans from being induced to travel abroad, but this objective "cannot be achieved through coercive measures."

Costa Rica

Budget Allotted for Public Security, Government Ministries

PA0909130293 San Jose Radio Reloj in Spanish 0100 GMT 3 Sep 93

[From the "Radio Newscast"]

[Text] The Public Security and Government Ministries have been allotted 8.372 billion colones in the national budget. The Government Ministry will receive 21 million colones to finance 24 new positions, seven of which will be in charge of reorganizing CORTEL [expansion unknown]. Nine positions in [name indistinct] will be transferred from the Family Allotment Fund [Fondo de Asignaciones Familiares), as recommended by the Comptroller General's Office, and eight to the Immigrations Office, as per an agreement between the Costa Rican Tourism Institute and the Government Ministry.

The Supreme Court of Justice will receive 1.436 billion colones in addition to the 6 percent allotted by the Constitution in the national budget.

The budget will include funds requested by the Supreme Electoral Tribunal to guarantee the 1994 electoral process. Those funds will cover expenses for the transfer of foreign service personnel and other expenditures that the change of power generally requires.

The national budget is contemplating the creation of 90 new positions in the Public Security Ministry with the construction of a police station in Valle de La Estrella. The budget allotted to the Public Security Ministry was increased 22 percent compared to last year's, increasing the allotments for food, gasoline, diesel, spare parts, and electricity. The funds allotted this year will strengthen citizen security programs, which, according to the finance minister, has been the main objective of this administration.

El Salvador

FMLN Presents Platform at National Convention

PA1009031293 San Salvador DIARIO LATINO in Spanish 6 Sep 93 p 6

[Text] Jorge Shafik Handal, general coordinator of the Farabundo Marti National Liberation Front, FMLN, has said that should the FMLN win the upcoming elections, it will govern by consensus and dialogue. Handal announced important aspects of the FMLN's government platform at the closing of the party's first national convention, during which Ruben Zamora and Francisco Lima were confirmed as the official presidential and vice presidential candidates.

Special guests to the convention included delegates from the UN Observers for El Salvador headed by Augusto Ramirez Ocampo, representatives of European and Latin American political parties, representatives of the U.S. Embassy's Human Rights Office, the ambassadors of Israel and Argentina, Mexican politicians, representatives from local and international nongovernmental organizations, and from the Guatemalan National Revolutionary Unity, URNG. It was learned that visas were denied to a Cuban delegation, even though there are several sports trainers in Guatemala hired by the government.

The convention began on 4 September with a private meeting of 420 FMLN delegates at the Zacamil Gymnasium and ended on 5 September at the National Gymnasium with the attendance of thousands of followers and FMLN members who arrived from various parts of the country.

The FMLN platform "reaffirmed the importance of complying with the peace agreements," which "are decisive for the democratization process and will be the government's main and permanent struggle."

On economic aspects, the main objective and "greatest national challenge" will be "overcoming poverty, which affects the majority of Salvadorans."

The FMLN recognized "the essential role of capitalist private enterprise of all sizes," which "will be maintained and respected," adding that "businessmen whose work contributes to strengthening national dignity" will be encouraged.

The FMLN stressed it will create and encourage a "popular sector of the economy," which will be based on the principles of "competitiveness, productivity, profitability, solidarity, and cooperation, and not on paternalism. This sector will have the state's support to start, take off, and compensate initial disadvantages."

That popular sector of the economy would be created by completing the Agrarian Reform program and the transfer of land in accordance with the peace agreements; privatizing state enterprises in favor of workers, and creating a financial system directed by businessmen from that same sector.

The FMLN platform noted that profound and extensive educational reform will be carried out "to guarantee access to education for the majority of the people, who will be trained to produce and efficiently manage enterprises that will promote scientific knowledge, research, and ecological balance."

"The University of El Salvador will have the decisive support of the government to transform that institution into the first national center of scientific and technological development," Handal stressed.

With regard to the tax policy, Handal said more efficient tax collection procedures will be used, and "public investments will give priority to education, health, housing, improving and protecting the environment, and constructing the infrastructure and support for economic recovery, with emphasis on the popular sector."

The FMLN promised to eliminate oligarchic privileges and monopolies and to support "the creation of modern instruments and marketing methods for production in the popular sector."

International commercial relations will be based on the expansion of the domestic market, environmental protection, and quickly generating mass employment.

The environmental problem will be handled by focusing on the restoration, protection, and development of basins in rivers and lakes, and guaranteeing water supply. A National Ecological Council will be created.

Women will have "equal opportunities in all areas of economic, social, cultural, and political life at all levels, particularly in top government positions," as proposed by the "Women 94" movement.

The presidential and vice presidential candidates were received with a strong ovation, and the reading of the government platform was frequently interrupted by approving applause.

Guatemala

Court Decides To Offer Amparo to Congress President

PA0909165893 Guatemala City PRENSA LIBRE in Spanish 8 Sep 93 p 7

[Text] Last night the Constitutional Court decided to offer a provisional amparo to National Congress President Jose Lobo Dubon. The decision temporarily suspends the resolutions issued by the group of legislators who during the 5 September extraordinary session decided not to acknowledge the current National Congress board of directors.

Lobo Dubon filed an amparo against Arturo Soto Aguirre; Mario Solorzano Martinez; Carlos Enrique Perez Castaneda; Cesar Augusto Porres Lessing; Froylan Miguel Villatoro San Jose; Rafael Oiveros Ramirez; Antonio Garcia Secaida; Marco Tulio Merida y Merida; Jose Eduardo Leon Lee; Carlos Augusto Garcia Porras; and Carlos Humberto Merida de Leon.

The Constitutional Court states in its decision: I) That the amparo request should be processed. II) That the amparo requested by Deputy Jose Fernando Lobo Dubon, as president of the Congress of the Republic against the before mentioned deputies should be admitted on its first request. III) The deputies hereby challenged must remit appropriate records, or in its absence, a detailed report within the next 48-hour term.

Said resolution is upheld by articles 265, 268, 272, subparagraph b) of the Political Constitution of the Republic; 1o., 2o., 3o., 5o., 27, 28, 29, 33, and 163, subparagraph b) of the amparo statutes, as well as personal and Constitutional exhibits. [as published] The resolution was signed by Constitutional Court President Epaminondas Gonzalez Dubon; Magistrates Edmundo Vasquez Martinez; Gabriel Larios Ochaita; Rodolfo Rohrmoser Valdeavellano; Ramiro Lopez Nimatuj; and endorsed by Court Secretary Manuel Arturo Garcia Gomez.

The fourth penal first instance judge said that after processing the complaint against Congress President Jose Lobo Dubon, who is being charged with having made death threats against four deputies, details on the preliminary hearing would be forwarded to the legislative branch.

The plaintiffs are Deputies Marco Tilio Sosa Ramirez, (PAN) [National Vanguard Party]; Leon Arturo Amiel Escobar, (UNC) [Union of National Center]; Manuel Arturo Soto, (FRG) [Guatemalan Republican Front]; and Rodolfo Adrian Mendoza Rosales.

Alternate Deputy Fernando Linares Beltranena, lawyer to the four plaintiffs, said that after his defendants had concluded ratifying their charges against Lobo and his four bodyguards, he expected to receive details on the preliminary hearing during a full National Assembly session.

Linares Beltranena also said that five other deputies who witnessed Lobo Dubon making the death threats on 2 September will also be presented at the moment the charges are ratified.

With respect to the changing of the locks on the doors leading to Lobo Dubon's office, Linares Beltranena stated that this procedure had been legal, because the [National Congress] premise is also their home. He added that President Ramiro De Leon Carpio had already received the agreement whereby they had proceeded to elect a [National Congress] new board of directors.

Deputy Mario Taracena Diaz-Sol must also face a preliminary hearing filed against him by Deputy Fernando Lobo Dubon, who accuses him of illegally entering his offices and changing the door locks without being authorized.

Congress President Convenes Deputies on Purge Resignation

PA1009021593 Guatemala City SIGLO VEINTIUNO in Spanish 9 Sep 93 p 4

[Report by Carmen Aida Ibarra]

[Text] Congress President Jose Fernando Lobo Dubon will convene deputies in a plenary session at 1300 today to discuss the resignation of the 166 deputies, by way of a legislative agreement, and the issuance of a decree calling for a popular consultation [consulta popular].

Lobo Dubon said that the procedure for the resignation of 166 deputies and the call for a popular consultation conform to the mechanism specified by the Constitutional Court. He affirmed that those who do not attend the session will receive a public sanction for refusing to heed the general clamor for the resignation of all congressmen.

According to Lobo, the procedure consists of issuing a simple legislative majority accord considering the resignations of the 166 deputies as having been tendered. As a next step, a decree would be issued, also by a simple majority, asking the Electoral Supreme Tribunal to hold a popular consultation with questions that would be decided by the plenum.

Upon receiving the results of said consultation, the resignations would become effective and, in a solemn session, a new Congress of the Republic would be formed with alternate deputies.

Lobo Dubon reiterated his emphatic rejection to the idea of the Great Parliamentary Group, because he believes that the 166 deputies must go and not allow those "not subject to being purged" to decide who will stay and who will go.

Finally, he criticized the deputies of the Great Parliamentary Group who on 8 September met with President Ramiro de Leon Carpio. He stated that this is an ominous custom of the past, when the deputies placed themselves at the feet of the president of the Republic. He also reiterated his belief that De Leon Carpio is interfering in the Legislative Branch.

Demonstrators Demand Purge

PA1009010193 Guatemala City Teleonce Television in Spanish 1900 GMT 9 Sep 93

[From the "Telepress" newscast]

[Text] Labor leaders of the Inde [National Institute of Electrification] and the General Directorate of Highways reported the alleged infiltration of Army intelligence personnel in a demonstration staged on 9 September demanding a purge of Congress.

The report was made during the demonstration, as protesters marched down 7th Street [words indistinct] near El Reformador Tower.

The demonstrators arrived at the Congress shortly thereafter, where several demonstrators began knocking on the doors of the Legislative Palace, in an attempt to enter Congress' installations, as popular organizations have done in the last two days.

When marchers arrived in Congress, activists from other organizations joined the initial group of demonstrators. On 3 September, hundreds of demonstrators, during a similar protest, knocked down a metal door to the Legislative Palace facing 8th Avenue.

Today, the crowd concentrated in front of the main gate of the building, where the slogans demanding the resignation of 116 deputies were heard again.

Efforts To Trim Budget Will Eliminate 2 Ministries

PA0909232893 Guatemala City PRENSA LIBRE in Spanish 7 Sep 93 p 79

[Text] President Ramiro de Leon Carpio has stated that in an effort to seek austerity in the budget, the Development Ministry will be eliminated. The duties of the ministry will be absorbed by the Secretariat of Economic Planning and the Development Councils.

The Culture and Sports Ministry also will be eliminated. Some of its duties will still be fulfilled by competent officials, but not under the auspices of a ministry as such. With these actions, the government will save 21 million quetzals.

The Guatemalan president also mentioned investments for social projects by the Social Investment Fund, which will be allocated 100 million quetzals to carry out the projects. The Solidarity Fund for Community Development [Fondo de Solidaridad para el Desarrollo Comunitario], through urban and rural development councils, will be allocated 150 million quetzals.

The National Land Fund and the National Fund for Peace will receive 42 million quetzals apiece; the Guatemalan Housing Fund, 87 million quetzals; the Solidarity Fund for Education, 50 million quetzals; and Popular Credit [Credito Popular], 9 million quetzals. In addition to the funds allocated to each ministry, the government has assigned 88 million quetzals to cover priorities acknowledged in the president's tour.

Special capital revenues of 325 million quetzals hint at the possibility that the government could demonopolize or privatize certain government services, as in the case of Guatemalan National Railways, which will be placed at the disposal of the private sector by common agreement between its employees and the government. The details of this will be explained further on Thursday, De Leon concluded.

First Official Government Contact With URNG in October

PA0909125593 Guatemala City SIGLO VEINTIUNO in Spanish 7 Sep 93 p 4

[Text] Hector Rosada, coordinator for the Guatemalan Government's Peace Commission, reported yesterday that in October the government will promote the first official contact with the Guatemalan National Revolutionary Unity (URNG) to renew the peace talks to end the armed internal strife, ongoing for more than 30 years.

Rosada also reported that Monsignor Rodolfo Quezada Toruno, with whom he has talked, "will not be the channel to contact the URNG, because, as stipulated in the proposal, the talks will be held with international mediation, and all contacts will be made through the United Nations.

The official reiterated that such an important peace agreement must be signed with the legal names of those who sign it. The rebel commanders can add their aliases, nicknames, or other forms of identification, but they must legally identify themselves in accordance with Guatemalan law.

He said the final peace proposal is being studied, and the opinions of social sectors are being added to it. The proposal will be ready before the end of September, Rosado stated.

The Government Peace coordinator said the talks will probably be held in Mexico, as the neighboring country has helped them in this respect for a long time. He added that "it would be convenient" for the government to hold the talks in Mexico.

He also said that the new proposal is a continuation and an update of the previous process from the perspective of the

new situation in the country. Rosado said: "We are willing to respect, augment, and restate the previously signed agreements."

Weapon Cache Found Does Not Favor Dialogue

Rosales also commented that the finding of a large URNG weapons cache in Nicaragua "does not favor the efforts to start a dialogue and reach a political solution through peaceful means." He reiterated that "they [the URNG] see the negotiation table as a strategy in the political strife." Those secondary events show, however, "the imperative need to disarm the guerrilla's offensive capacity and end this useless conflict."

Rosales was asked about the announcement of a military offensive by the Army, and he said that the increase of military actions "weakens the position of both sides to negotiate and makes it imperative that we review decisions of this nature."

He said, however, that he agrees with the institution in that "if I am negotiating in good faith and find evidence that my enemy is not following suit, my decisions and strategies must take another course."

Peace Commission Members Announced

PA0909174893 Panama City ACAN in Spanish 1252 GMT 9 Sep 93

[Text] Guatemala City, 9 Sep (ACAN-EFE)—Guatemalan President Ramiro De Leon Carpio announced on 8 September the names of the three civilians and three military members who will form the government commission to negotiate peace with the Guatemalan National Revolutionary Unity (URNG).

The delegation will be presided over by Hector Rosada-Granados, the sociologist who prepared the proposal presented by De Leon. He will receive the support of three military members and three civilians who—with the United Nations' mediation—will negotiate the end to the armed confrontation.

The military appointed to the commission are General Marco Antonio Gonzalez Taracena, deputy chief of the Defense General Staff and a member of the previous government's peace commission; Gen. Victor Manuel Argueta, commander of the Honor Guard; and Colonel Victor Manuel Ventura, director of the Polytechnic School.

On the civilian side, Rosada-Granados will be accompanied by lawyers Max Kestler Farnes and Mario Permuth, who is a member of the dissolved National Reconciliation Commission and an adviser of the deposed ruler Jorte Serrano during the crisis in May, as well as a defender of former Vice President Gustavo Espina.

The delegation will also have Ernesto Viteri and Antonio Arenales as advisers, both of who are officials of the government of Jorge Serrano, who was deposed 1 June for the coup he staged on 25 May.

On 10 September De Leon will swear in the commission, and, according to Rosada-Granados, it is expected that the negotiations will be resumed in October in Mexico.

The Guatemalan civil war, the only one that is still surviving in Central America, began in 1960. Since then, it has caused over 150,000 deaths, according to private humanitarian organizations.

Honduras

Callejas Announces Increase in Military Budget

PA0909195793 San Pedro Sula TIEMPO in Spanish 4 Sep 93 p2

[Text] Tegucigalpa—President Rafael Leonardo Callejas has announced that the military budget for 1994 will be increased by 10 million or 15 million lempiras to cover salary increases for police agents and Armed Forces officers.

This increase will also cover expenses to train personnel of the Directorate of Criminal Investigation (DIC), which will be part of the Attorney General's Office, Callejas told reporters.

In 1993, the government increased the salary of police agents from 400 to 600 lempiras, an additional expense of approximately 14 million lempiras, to the Public Security Forces [FUSEP], FUSEP Commander Colonel Mario Hung Pacheco disclosed.

The budget for the military was 262 million lempiras in 1993; fifteen million lempiras were added to it, increasing it to 277 million lempiras.

Callejas explained that the defense budget will be less percentage-wise but bigger in quantity.

Regarding the budget for health and education, they will be increased by 8.2 percent and 8.5 percent of the GNP [gross national product].

Central Bank President on Economic Growth

PA1009023193 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 6 Sep 93

[Report on interview with Central Bank President Ricardo Maduro by Julio Armando Vasquez, of the Voz de Honduras Network's Economic Section; place, date not given]

[Text] Central Bank President Ricardo Maduro, when asked about the next government's economic prospects, indicated that what is important is the assessment of prospects relative to past performance. According to Maduro, the important point was to see if trends are favorable. The next administration will have to deal with economic factors far more positive that those with which the current govenrment has had to deal. At that time economic growth had practically stagnated, and the country did not have access to international markets or financing with which to cover currency shortages.

[Begin recording] [Vasquez] The fiscal deficit, in other words public finance, was in such a dilapidated state that

the money supply had to be increased in order to cover the deficit. This resulted in hidden inflation, even with the price controls that encouraged inflation in 1989. What positive economic prospects does the government have?

[Maduro] The next administration will have the tremendous advantage of a Honduras with access to international funds, with credibility, and with a place in world trade. What is more, Honduras has set standards in Central American trade integration with the expectation of future participation in a larger integration process with South America. Honduras will also be prepared to access the new North American trading bloc most commonly known as NAFTA [North American Free Trade Agreement]. GATT's inevitable approval will mean that we will be members of the institution that oversees world trade. This will create some advantages for us, such as allowing us to access larger markets, which will in turn encourage our national growth.

We acknowledge the need to integrate ourselves with world trends in order to develop and survive, as well as to aspire to better standards of living. We have seen tremendous improvement in the agriculture sector. We are leaders in commercial integration on a worldwide level. With respect to our public finances, issues like currency liberalization, financial intermediation, interest rates, and so forth, have resulted in increased private savings. Thus, during this period we have been able to face, with a certain degree of courage and conviction, some tremendous problems with origins in the past which were obstacles to progress and are modern day realities.

Hardly any country can survive if it does not open up to the outside world. In order to effect this there must be cuts in customs tariffs, unrestricted currency exchange, and access to international financial markets. Honduras has been able to accomplish this. Every Honduran citizen has shared this sacrifice in hopes of a better standard of living.

[Vasquez] Will the Honduran people recover the same purchasing power our currency had in 1989?

[Maduro] The recovery of purchasing power has been proceeding over the last few years. There is only one way to measure this, that is, in real terms, as we say. In other words, you look at the currency's purchasing power and subtract inflation in order to establish how much consumers can purchase in real terms. For example, we measure our currency's purchasing power by determining how much basic grain we can purchase today with one lempira, as opposed to 10 years ago. This is measured by a price index. The index year [nivel base] has always been the year 1978.

With respect to minimum wages, one decade after the base year of 1978, that is 1989, minimum wages had reached approximately 70 percent. In other words, minimum wage purchasing power had decreased 30 percent during the past 10 or 11 years. With the three or four minimum wages adjustments that were implemented, we have been able to return to levels greater than 100 percent. However, minimum wages do not represent the entire picture as related to wages. I believe that some middle income groups have felt the burden more than others. Since these people are mostly urban wage earners, it is possible that their purchasing power has been reduced. In general, it is possible that some mid-level groups' minimum wages have recovered a significant part of their purchasing power. The rest of the recovery will have to take place with the economic growth we are currently encouraging.

My opinion is that the only way we will be able to increase purchasing power will be through economic growth. Keep in mind that 1978 purchasing levels were in themselves quite low. We have been able to recover 100 percent in minimum wages of that specific year, but we must try to increase it a lot more. The only way we can ensure economic growth is by adhering to the rules of those international markets we have been able to penetrate.

[Vasquez] When you refer to international markets, does this mean that any government will be subject to policies imposed by the international financial organization?

[Maduro] Not necessarily. We have not submitted to the international organizations' policies. What we have done is acknowledge that in order for Honduras to have some type of future economic growth, it must accomplish this from within the international economic and financial community. Honduras, a small country with 5 million people, cannot expect to survive if it isolates itself from the rest of the world. This is a fact every administration must recognize. That also implies certain rules with respect to doing business, trade transactions, access to credit, international credibility and so forth.

[Vasquez] Does this mean there will a bonanza during 1994, or—as they say in economics—will we have to tighten our belts?

[Maduro] We have an excellent platform to continue growing at even better levels that attained this and last year. In other words, the sacrifice has already been made. President Callejas and his government decided to confront the problems, and we established a launch pad of which we must take advantage. The country's outlook is indubitably much more optimistic today as opposed to four years ago.

[Vasquez] How can we explain to peasants that the effects of structural adjustments will be seen in the long run?

[Maduro] Peasants have been greatly favored because for many years they suffered from price control measures that had been adopted. Prices are no longer determined by the authorities. We must remember that when we complain about bean prices, peasants are happy. We cannot forget about that. There are two sides to the coin. If prices go up it is bad for consumers but good for producers. This is a program that basically helps out producers by deregulating prices. The purpose of the measure is to ensure that the farmer earns a profit that encourages him to increase production.

[Vasquez] What are your recommendations for the next government with regard to economic policy? People talk about neoliberal policies and economic capitalism, both of which have failed.

[Maduro] Capitalism and free enterprise are closely linked to personal freedoms. Liberalism implies freedom. Freedom means freedom in everything. The economy is just one of those things. It is the only system that has survived in the world. Centrally planned economies have all failed. The USSR, which led the centrally planned economies, has failed completely; it has had to resort to assistance from the entire world. It recognized that its system did not work; the same holds true for other socialist bloc countries. To say that the free enterprise system has failed is a distortion of the truth. It is the other way around. State paternalism, centrally planned economies, and socialism as economic systems have failed. [end recording]

Nicaragua

Humberto Ortega on Resolving Dispute With Chamorro

PA0909213493 Managua BARRICADA in Spanish 9 Sep 93 p 2

[Text] During a meeting with OAS Secretary General Joao Baena Soares yesterday, General Humberto Ortega said he "is most willing to find a solution to the (tense) situation" between the Army and the Executive Branch in the wake of the president's 2 September speech. Nevertheless, he emphasized that the "president's intention" to discharge him will have to be brought into line with the Constitution and the law.

"We are willing to resolve this problem within the framework of the Constitution, the law, military service, and compliance with the agreements we have gradually reached with the Executive Branch," Ortega stressed.

The Sandinist People's Army commander decried the fact that some of the agreements reached with the government "were not fully complied with," and he added that the military institution "was quite affected, harmed, and offended" by President Violeta Chamorro's speech in which she announced Ortega's discharge in 1994.

"We cannot accept that any of our members be treated like an object to appease" either foreigners or nationals, he said.

In terms of the arrival of U.S. Ambassador John Maisto, Ortega expressed the hope that Maisto's arrival would help encourage a negotiated settlement of the crisis in Nicaragua.

Ortega thanked Baena Soares and other international personalities for coming to Nicaragua to help "find a reasonable resolution to the country's crisis."

Regarding the talks the Army's top command held with the National Police commanders, Ortega did not make any comments, saying only that they have been discussing the strengthening of both institutions amid the situation created after 2 September.

EPS, National Police Discuss Situation

PA0909124493 Managua BARRICADA in Spanish 8 Sep 93 p 12

[Text] The Sandinist People's Army [EPS] High Command and the National Police, headed by General Humberto Ortega and Commander Fernando Caldera, respectively, held a confidential meeting on Tuesday to study the country's current situation.

EPS spokesman Lieutenant Milton Sandoval reported that no official statement was issued following the meeting, which was held at the Army Command Staff installations.

The National Police, as such, have not made a pronouncement on President Violeta Chamorro's 2 September announcement that General Ortega would be replaced in 1994.

After the act to commemorate the National Police anniversary, however, Commander Caldera stated: "We agree with the Military Council's communique."

BARRICADA tried to get the main police chiefs to give statements but none were available.

Private Enterprise Council Reelects President

PA1009035293 Managua BARRICADA in Spanish 8 Sep 93 pp 1, 12

[Report by Roberto Larios]

[Text] At 2100 on 7 September, following a five-hour closed-door session, Ramiro Gurdian was elected president of the Higher Council of Private Enterprise [Cosep].

The Chamber of Industries vote broke the three-three tie that prevailed in five rounds of voting by the six enterprise groups of which Cosep is comprised.

In spite of the many efforts that the two groups made to represent to journalists as a monolith, the defeated candidate, Gilberto Cuadra, leader of "the hardliners," was unable to restrain himself from strongly warning Gurdian:

"Following these elections," he said, "you will see a new Cosep, a much more aggressive and militant Cosep. Decisions will be made by the chambers, not by the personalities that engage in television self-propaganda," Cuadra noted, alluding to Gurdian's TV-Cosep television newscast appearances.

The elections have been termed "the closest" in the history of Cosep. From the beginning there was an open rivalry between "the hardliners" headed by Cuadra and "the moderates" led by Gurdian.

The "hardliners" group includes the Chamber of Construction, the Nicaraguan Institute of Development [INDE], and the Chamber of Industries. This group has criticized Gurdian's performance and has described Gurdian as a "soft-head" in his relations with the government.

The moderates or "pro-Violeta people" ["violeteros"] groups are the Chamber of Commerce, the Agriculture and Livestock Producers Union of Nicaragua, and the

National Confederation of Professional Associations, which have always supported Gurdian's candidacy.

INDE Director Dora Maria Lau de Lacayo has declared that the decisive vote was that of the Chamber of Industries which at the end withdrew its support from Cuadra.

Gurdian's victory will be officially announced on 8 September, during the Businessmen's Day celebrations with which Cosep every year honors Jorge Salazar, the late leader of this organization.

Demand 'Significant Changes'

PA0909204893 Managua Radio Corporacion in Spanish 2200 GMT 8 Sep 93

[From the "Five O'Clock Sharp" newscast]

[Text] The private sector demanded during the celebration of Businessman's Day that President Chamorro make significant changes. Ramiro Gurdian, who initiated today his third term as president of the Higher Council of Private Enterprise [Cosep], said that the nation's fiscal policy does not stimulate production and asked for taxes to be reduced, as the people cannot pay them.

During the event, the businessmen recalled Arge Sequeira, martyr of the struggle for Nicaraguan democracy. On this occasion President Chamorro's absence was conspicuous, as she has always participated in the private sector's event. During the past years President Chamorro attended the occasion accompanied by her son-in-law, Antonio Lacayo, presidency minister, but now the business sector is demanding Lacayo's dismissal, as well as General Ortega's. Here is what Ramiro Gurdian, Cosep president, said:

[Begin Gurdian recording, in progress]....political. These Armed Forces should promote the nation's stability so that each and every citizen can feel protected. [Words indistinct] we have is an official Army and another unofficial army comprised of terrorists who are called the retired members of the Sandinist People's Army. These are the ones who burned Managua Municipality; they murdered Arge Sequeira; they placed a bomb in my office in the Cosep building; they took over Esteli; they kidnapped the National Opposition Unity's political council. These are the death squads, the squadrons of disasters, kidnappings, and blackmail who should be in jail. An amnesty should not be granted to them to erase the years of crime so that they can restart with their crimes once they have benefited by the amnesty. [applause]

It appears that this is the people's right, and until this right is [word indistinct], until the lives of the property owners are guaranteed, no economic system in the world will succeed. Even if the best experts in the world could come here, all will be in vain if there is no clear law on respect for private property, and this law must be respected. The Sandinist pinata-like giveaway cannot be allowed. [applause] Laws 85 and 86, even though time has passed, continue to be immoral. [Words indistinct] government officials from the past regime [words indistinct] living in those homes. This government should not be the guarantor of that [word indistinct]. Let's be honest with Nicaragua; let's not be guarantors of the pinata-like giveaway. [applause]

Nicaragua, my dear Nicaragua has gone from the list of the Marxist-Leninists to the list of international terrorists. [Words indistinct] the Santa Rosa explosion we saw how [words indistinct] kidnappings, murders of Western Hemisphere personalities. A number of passports showed up. We also see in the largest terrorist act ever executed in the United States, for our misfortune, that those implicated in the New York incident are found with passports, drivers licenses, and birth certificates from our poor Nicaragua.

It is not fair. It is not fair because this makes all Nicaraguans targets of [word indistinct]. All of this result in the donor nations questioning us. These international donors have always been benevolent to Nicaragua, and we must thank them for the aid they have offered us. All of this also result in a U.S. Senate amendment, and we see the result during a vote of 67 senators against 23, asking for these terrorist links to be cleared up. This Senate amendment is extremely critical for Nicaragua. This can mean that Nicaragua will lose not only the U.S. aid but also the loans from the World Bank, IMF, International Development Bank, and the [word indistinct]. Nicaragua needs the aid; therefore, the government must undertake all efforts necessary to avoid the Senate amendment becoming a law, because we will lose aid for many years. To survive we need $800 million per year; we barely produce $200 million. This translates into a $600-million deficit that we have to secure, either as a donation, as a loan, or any other way.

As you can see, we have a big problem on our hands. This big problem that concerns us can be resolved by [word indistinct] the five points of the Cosep. I repeat that the five points are: to resolve the Legislative Assembly problem and the Supreme Court of Justice problem; the cabinet problem; the Armed Forces problem; and the property problem. To be able to solve these problems and to clear up the weapons caches problem, the withdrawal of Presidency Minister Antonio Lacayo is vital. [extensive applause] The same goes for Army chief General Humberto Ortega—who must leave immediately. [extensive applause]

Dona Violeta must have a cabinet that is not Sandinist. [applause] Nicaragua must be governed totally opposed to what Sandinism represents. [applause] I hope that the president, the vice president, the members of the Legislative Branch, and the members of the political parties are listening to me [words indistinct] Nicaragua. As I told you last year, for Nicaragua to be successful it must be governed in a fashion completely opposed to Sandinism. Thank you very much. [applause] [end recording]

Center Bloc Reminds Cesar To Explain Use of $1 Million

PA0909201593 Managua Canal Cuatro Television in Spanish 0300 GMT 7 Sep 93

[From the "Extravision" newscast]

[Text] The Center Bloc on 6 September reminded Alfredo Cesar that he must explain the use of over $1 million of the National Assembly budget. Cesar said on 6 September that the Center Bloc deputies were bribed to join this parliamentary group.

[Begin Cesar recording] The gentlemen in the Center Bloc were bribed by the government of the Republic so that they would vote with it. In the bilateral dialogue, we are not going to demand such illegal and low measures; in other words, we are not going to bribe them again, so they will leave the group. [end recording]

Frank Duarte, secretary of parliament, reminded Cesar that he was one of the founders of that group when he made use of its votes and those of the Sandinist Front wing to reach the presidency of the National Assembly and thus betray Miriam Arguello.

[Begin Duarte recording] Mr. Cesar was the first one who spoke about a Center Bloc, and he was satisfied with the six political parties that contributed to the Chamorro policy of reconciliation. From the very beginning when we won the elections, Cesar divided the National Opposition Union [UNO]. I think that Cesar is quite qualified to speak about the Center Bloc and how it was born.

I am very surprised to hear Cesar speak of bribery, as he does not have the moral qualities and much less at this time, when he is going to be brought before trial for the loss of $1 million that Peat Marwick, a U.S. auditing company, has questioned. Mr. Cesar's name has been mentioned in several cases of drug trafficking from the times when he was in exile; in other words, I feel Cesar is the wrong person to talk about this. As a political leader, he is trying to hinder the progress of the national dialogue and make it fail in order for him to carry out his personal plans and ambitions. Actually, he is seeking to topple Chamorro's government. [end recording]

Duarte also ratified that the parliamentary group will not resign, nor can it be forced to resign inasmuch as there are no legal mechanisms that can force it. Today we are more united than ever before, the nine deputies from the Center Bloc concluded.

BED Uncovers Arms Cache in Matagalpa Department

PA0909195993 Managua Radio Nicaragua Network in Spanish 1100 GMT 9 Sep 93

[Report by Aurolita Leyton Morales from Matagalpa; from the "This Morning" newscast]

[Text] Good morning, we want to report that at about 1700 yesterday the Special Disarmament Brigade [BED] found an arms cache in a place known as Apopua, at the 96-km marker on the Managua-Matagalpa highway. The arms cache was found on the land of Mr. Ricardo Rivas in Apopua.

A BED source told Radio Nicaragua they estimate the arms cache contains about 200 AK-47 rifles, a large number of RPG-7 rockets, and a considerable number of machine guns and submachine guns.

We expect the BED to supply more details in the next few hours and they will invite local Matagalpa journalists to visit this arms cache.

Mexican Foreign Minister on Commercial Negotiations

PA0909195893 Managua Radio Nicaragua Network in Spanish 1100 GMT 7 Sep 93

[From the "This morning" newscast]

[Text] Mexican Foreign Minister Fernando Solana Morales, who is in our country engaged in political and commercial activities, has said that much progress has been made in holding negotiations for special commercial agreements in the northern area of Latin America. In October, he said, Venezuela and Colombia will reach specific agreements with Central America, including Nicaragua. The free trade agreement covering the Group of Three [G-3] is important in achieving regional development.

[Begin Solana recording] We made much progress in the last few weeks and days in the negotiations to reach specific agreements with the northern area of Latin America. As the Colombian foreign minister has said, we have [words indistinct] a commercial agreement between [word indistinct] and Central America. I think the progress made in the negotiations for a free trade area among the G-3 is particularly important; it is very likely that in October there will [words indistinct] specific agreements on the free trade area among Colombia, Venezuela, and Mexico. We are talking about a possibility of having in the near future a commercial area with 70 million people with a product [as heard] approaching $500 billion, which is the whole Central American area with Venezuela, Colombia, and Mexico.

The G-3 agreement probably will be ready this year. Partial agreements and more general agreements with Central America have been reached. We are particularly concerned now that a country as loved and important for the economic area we are talking about is having [words indistinct] political problems, as is happening in Nicaragua. [end recording]

Panama

Survey Ranks Blades 1st Among Presidential Hopefuls

PA1009035493 Panama City LA PRENSA in Spanish 9 Sep 93 p 5A

[Report by Vilma E. Figueroa B.]

[Text] A survey conducted in the metropolitan area by the Center for Latin American Studies (CELA) revealed that Ruben Blades, leader of Papa Egoro Party, has the most

chance of becoming president in the 1994 elections, followed by PRD [Democratic Revolutionary Party] candidate Ernesto Perez Balladares.

However, the survey showed that 68 percent of the voting population is still undecided.

Blades received in the survey an 11 percent approval rate, Perez Balladares got 8.8 percent, Mireya de Gruber of the Arnulfist Party [PA] 3.7 percent, and Ricardo Arias Calderon of the Christian Democratic Party, Guillermo Ford of Molirena [Nationalist Liberal Republican Movement], and separated Mayor Mayin Correa obtained a 1.4 percent approval rate.

This survey, which is the first of six that CELA will conduct before the elections, also indicated that the party with greatest support is the PRD with 31 percent, followed by Papa Egoro with 18 percent, the PDC and PA with 14 percent, and Molirena with 12 percent. However, the survey revealed that 70 percent of voters do not have a political preference.

The survey polled people over 18 who live in the Districts of Panama, San Miguelito, Colon, Chorrera, and Arraijan.

G-3 Ministers Interested in Election Preparations

PA0909191293 Panama City EL SIGLO in Spanish 7 Sep 93 p 2

[Article by Roberto Rolando Rodriguez]

[Text] President Guillermo Endara expressed to the so-called Group of Three [G-3], which consists of Mexico, Colombia, and Venezuela, his government's desire to hold "free and open" elections. At the same time, the foreign ministers conveyed to President Endara their interest in collaborating with Panama in preparations for the May 1994 elections.

Endara was accompanied by Foreign Minister Julio Linares during the meeting, which took place in the presidential palace. Linares told EL SIGLO that President Endara will announce the G-3's intention to assist Panama in its electoral preparations in the coming hours.

Linares added that Colombia and Venezuela will send observers to Panama while Mexico apologized, citing its foreign policy of not sending observers, because it views events of this type as part of a country's internal affairs.

The meeting between President Endara and Colombian Foreign Minister Noemi Sanin, Venezuelan Foreign Minister Fernando Ochoa, and Mexican Deputy Foreign Minister Rosario Green also focused on the strengthening of relations among the four countries.

The Central American situation, particularly the tense situation in Nicaragua and Guatemala, which the G-3 deems "essential for the future of the region," was also discussed.

Linares added that 10 regional projects were presented at the meeting. Among those projects, he specifically referred to the electric interconnection project, which extends from Mexico to Panama.

Linares said that according to studies done by the G-3, this project "is going well" and that the ministers requested an additional list of short-term projects.

On 6 September, the foreign ministers began a tour through Central America which started in Costa Rica, Nicaragua, and El Salvador. On 7 September, they will visit Honduras, Guatemala, and finally Mexico, where they will evaluate the diplomatic tour.

Linares said that the G-3 foreign ministers' main goal is to foster closer relations among their countries, the Central American countries, and Panama.

The foreign ministers' tour occurred at the same time all of the Central American foreign ministers went to Managua, Nicaragua, for a meeting with OAS Secretary General Joao Baena Soares.

The G-3 foreign ministers are analyzing the cooperation programs they have with Central America in the context of the "multilateral" Caracas Agreement.

This first encounter among Mexicans, Colombians, and Venezuelans with the Central American countries emphasizes the strengthening of democracy and peace in the region, as well as commercial cooperation. Along this line, this meeting seeks ways to help finance and give a new boost to this commercial cooperation to bring it up to date.

Bolivia

Creation of Condepa Patriotic Movement Announced

PY0909134593 La Paz Radio Fides Network in Spanish 1100 GMT 9 Sep 93

[Report by Nicolas Sanabria]

[Excerpts] Personal and group interests have caused the division of Conscience of the Fatherland [Condepa]. Yesterday afternoon, eight Condepa Executive Board members announced the creation of a new political party named Condepa Patriotic Movement [Condepa Movimiento Patriotico].

Mrs. Edith Mantilla, wife of the La Paz mayor, made the announcement. She said the new movement, which is headed by Jorge Escobar Cusicanqui, supports Julio Mantilla's candidacy in the December municipal elections. [passage omitted]

The newly created Condepa Patriotic Movement already has gained support from Ivo Kuljis, Cochabamba Mayor Manfredo Reyes, and Humberto Coronel Reyes, who all have expressed their full support for Julio Mantilla. [passage omitted]

Brazil

Minister Rejects Exchanging Food for Russian Weapons

PY0909125593 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 8 Sep 93

[Text] Army Minister General Zenildo de Lucena rejected the possibility of the Brazilian Government exchanging foodstuffs for weapons in Russia. The minister, who leaves on a 14-day trip to Russia and the PRC, said the idea of this sort of exchange is groundless and this is merely a courtesy trip.

Government Splits Joint Account With Central Bank

PY0909183893 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 9 Sep 93

[Speakers identified by screen captions]

[Text] Those with joint bank accounts know very well how difficult it is to track expenditures and avoid overdrawing. The Brazilian Government has also found it difficult to track a kind of joint account it had with the Central Bank. Today this account was split to make the tracking of expenditures easier.

[Begin recording] [Reporter Maryluce Vilela from Brasilia] Nobody knew where the money was going and the government ended up spending more than it could. The account was called the Central Bank Black Box.

The National Treasury and the Central Bank have now split this account. Finance Minister Fernando Henrique Cardoso has renamed the Black Box the White Book. The idea is to make it easier for the government to see how much it can spend and how much it owes. This move seeks to dispel the impression in Congress that the National Treasury is hiding money all the time.

[Cardoso] What used to be the Black Box is now the White Book.

[Vilela] Opening the Central Bank Black Box will not have any immediate effects for taxpayers. Is it just another government measure to balance public accounts?

[Cardoso] It means that any Brazilian can find out how much of the budget the government is actually spending. Until now everything was mixed up and nobody knew whether it was government money or Central Bank money. Now everyone can keep track of government spending, which is very important.

We are seeking to better organize government finances, improve management and institutional order, seeking to curb inflation. We will make public any results.

Those who profit from inflation—speculators and financiers who make huge profits—will be hurt by falling inflation. The people can rest assured that I will not mess around with their pockets. [end recording]

Chile

MIR Claims Attacks Against U.S. 'Yankees'

PY1009033193 Madrid EFE in Spanish 2117 GMT 9 Sep 93

[Excerpts] Santiago, 9 Sep (EFE)—Self-proclaimed political units from the Movement of the Revolutionary Left (MIR) have claimed responsibility for the attacks that took place today against the U.S. fast food restaurant chain McDonald's, which resulted in four slightly injured individuals. [passage omitted]

In a telephone call to the EFE agency in Santiago and to the offices of other media, an anonymous person with a woman's voice claimed responsibility for the attacks in the name of the self-proclaimed "Political Units of the MIR," an ultramarxist group.

The woman issued a threat that more bombs would be planted in other stores from U.S. commercial chains in Santiago, in protest against the presence of "U.S. imperialist Yankees."

These events are taking place a few days before the 20th anniversary of the 11 September 1973 coup, when the military junta headed by General Augusto Pinochet overthrew President Salvador Allende.

Aylwin To Tour New Zealand; Diplomatic Ties With Kazakhstan

PY0909233993 Santiago EL MERCURIO in Spanish 26 Aug 93 p C3

[Text] The Foreign Ministry reported officially yesterday that President Aylwin will pay an official state visit to New Zealand from 2-5 October.

The Foreign Ministry has issued an official communique regarding the upcoming presidential tour:

"In response to an invitation extended by the New Zealand governor general, Her Excellency Dame Catherine Tizard, His Excellency Patricio Aylwin Azocar will pay an official visit to New Zealand from 2-5 October.

"In addition to contributing to strengthening the existing excellent political and economic bilateral ties, the Chilean president's presence in New Zealand will help to reassert the conviction of the two governments that the Pacific Ocean constitutes a priority area in their respective foreign policies, and their decision to continue cordially working toward the achievement of world peace and the success of the international economic negotiations currently under way."

President Aylwin's visit to New Zealand was originally scheduled to take place during his tour to the Netherlands and the Russian Federation, but his visit to New Zealand and Australia was suspended.

The Foreign Ministry has officially reported that the governments of Kazakhstan and Chile have established diplomatic ties as of yesterday.

The Republic of Kazakhstan is the largest and most politically influential of the southern republics of the former Soviet Union, with 16 million inhabitants.

The treaties were signed during a ceremony held at the Chilean Embassy in Moscow. They were signed by Kazakhstani Ambassador Valery Temirbayev and James Holger, the Chilean ambassador to the Russian Government.

The agreements achieved by the two countries for the establishment of diplomatic ties are based on the principles of equal status, mutual respect, self-determination, independence and sovereignty, territorial integrity, and noninterference in domestic affairs, in compliance with the UN Charter.

The president of Kazakhstan is Nursultan Nazarbayev. His policy is characterized by good sense. In view of this he has been able to adapt to new circumstances, and introduced a moderating element in the CIS.

Kazakhstan is a country with nuclear capability and extensive oil and mineral deposits.

Colombia

Venezuelan Foreign Minister Interviewed

PA0909140993 Santa Fe de Bogota EL TIEMPO in Spanish 31 Aug 93 pp 1, 3a

[Interview with Venezuelan Foreign Minister Fernando Ochoa Antich by EL TIEMPO international editor Poly Martinez in Bogota; date not given]

[Text] Venezuelan Foreign Minister Fernando Ochoa Antich is, if not the only one, one of the few Venezuelan ministers who have been ratified as cabinet members through three governments and in less than three years.

After being Carlos Andres Perez' defense minister, he passed to a good retirement at the Foreign Ministry and then jumped with his post into Octavio Lepage's short presidential term and was ratified, finally, by Ramon J. Velasquez, the current president.

Asked whether his permanence is due to the fact that he is a strong contention wall within the Armed Forces due to his being an Army general (r), the diplomatic foreign minister cannot hide his uncomfortable smile.

Taking advantage of his visit to Colombia, EL TIEMPO interviewed him.

[Martinez] How would you like me to call you, general or minister?

[Ochoa] General is more stable, even though I am a minister now.

[Martinez] Let's begin with the military topic. What is your evaluation of the coup rumors?

[Ochoa] The Venezuelan crisis is being overcome. It emerged 10 years ago, with the fall of the price of oil. That loss of opportunity for society compromised the middle class' possibilities for social improvement. The Venezuelan military is middle class. Then, a resentment emerged, and it was reflected in the two coup attempts.

What we must point out, however, is the fact that the military crises were overcome, mainly because the majority of the Armed Forces maintained their loyalty to Venezuelan democracy. The Venezuelan crisis is on the path to a solution; we have three months to go before holding elections.

[Martinez] But the problem is not simply a matter of elections.

[Ochoa] The elections are the main political objective of President Velasquez' government, and they will be held without shortcomings, because the causes for the political crisis have been overcome but also because Venezuela is being presided over by a man of recognized moral authority in the country.

[Martinez] No one doubts the president's qualities, but the political crisis is not resolved by one individual. What was resolved was the presidential crisis.

[Ochoa] Yes, but the fact is that much of the political crisis spun around President Perez. What the observers sometimes overlook is the fact that Venezuelan democracy has changed consistently over the last few years. Five years ago it only elected the president of the Republic; now the governors, mayors, councilmen, legislative assemblies, and 50 percent of the deputies are also elected.

[Martinez] But if the panorama is so clear, then why the fear of a coup?

[Ochoa] Because throughout history Venezuelan society has solved the political crises through military coups, but this government will not fall, because it is very solid.

[Martinez] But there is no clarity when explaining the origin of the terrorist acts.

[Ochoa] Let me tell you about the terrorist acts: six letter bombs, of which one exploded; five pipe bombs with practically no explosives; and a car bomb with 8 kg of dynamite, which only damaged four or five cars nearby. There have been no victims. Of course, a society that is not used to this becomes concerned by little acts of violence.

The analysis shows that the group behind this has no real capacity for action. What happens is that those little attacks are meant to provoke the Armed Forces.

[Martinez] The defense minister himself has said, however, that he would not tolerate more offenses.

[Ochoa] The minister's statements were quite harsh and categorical, but they were in response to a deputy who had made unfortunate comments about the Armed Forces.

Several elements are required for a military coup to occur in Venezuela. First, there must be unity in the Armed Forces to execute a coup d'etat. This will not happen, however, because the Armed Forces have a strong democratic vocation.

[Martinez] I must ask what you have been able to find out about the intellectual origin of the terrorist acts?

[Ochoa] The intellectual authors of the attacks have not been identified yet. It would be adventurous to make statements in this respect. I am quite sure, however, that those who are behind this do not carry any real weight in Venezuelan politics. The terrorist actions could have been caused by [people with] desperate personal problems.

[Martinez] Are you referring to the current court actions against suspended President Perez and two of his ministers and against former President Lusinchi?

[Ochoa] I would not dare say anything about anybody.

[Martinez] You say the Venezuelan crisis is being resolved, but the corruption issue is still pending.

[Ochoa] The Venezuelan people have given a strong no to corruption. The politician who wants to advance in Venezuela has to understand that he has to be absolutely honest. There is a total rejection of corruption in Venezuela. It is something that belongs to the past.

I am going to tell you what Venezuela's big problems are. The government has to make a very deep adjustment, because it has to be more efficient. To achieve this, it must dismantle the populist government that developed with the oil resources. This implies a reduction of bureaucracy and setting political parties straight, as they are the ones who promote bureaucracy.

The current challenge is to solve the social crisis, meaning we have to dismantle a society that is absolutely populist.

[Martinez] Why are you not running for president?

[Ochoa] Because I am a modest man. Politics are very variable, but I have never had that possibility.

[Martinez] On 31 August a congressional commission will define the future of suspended President Carlos Andres Perez. What could be the effects of his definite separation from power?

[Ochoa] The trend in Congress seems to favor President Perez' final separation. The important thing is that Venezuelans know that our president is Ramon J. Velasquez. The rest belongs to the past.

[Martinez] During the two coup attempts it was said that you remained in the government, because as representative of the Armed Forces' most powerful sector, the Army, you were a contention force. What do you think about that?

[Ochoa] Well, I believe this is a recognition of my loyalty to my principles. I have always been a staunch defender of the preeminence of civilian society in Latin America.

[Martinez] That recognition came while you were defense minister. What have you done as foreign minister?

[Ochoa] My first objective has been trying to portray Venezuela's real image, which has been distorted by the national press. In the second place, under the concept that Venezuela is no longer a Third World country, I visualize it as a midpower in Latin America, with limited resources; therefore, it should also have limited objectives in its foreign policy, the first one being strengthening relations with its neighbors, and the second one being strengthening the Andean Pact, its relations with the United States, and Japan—all this together with reorganizing the Venezuelan Foreign Service.

[Martinez] You have criticized those who describe Venezuela—according to your own words—as a haven for drug trafficking. Money laundering is, however, real.

[Ochoa] General Maza's appreciations are exaggerated. The problem is objective reality. Venezuela has a broad border with Colombia, Brazil, and Peru.

I doubt that Venezuela is a transit place for drugs bound to the United States and Europe, or that there is much money laundering in my country. The Banking Center and the Central Bank have implemented very strict controls to prevent this activity.

What worries me is when Venezuela's image is distorted. We are not a country plagued by terrorism or narcodollars, or a society without expectations or hopes. We are a society that has resolved its crisis with great maturity.

Defense Minister Admits Armed Forces' Inefficiencies

PA1009044393 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 9 Sep 93

[From the "Up to the Minute Caracol Newscast"]

[Text] Santa Fe de Bogota—Defense Minister Rafael Pardo Rueda has admitted there could be some degree of inefficiency within the Armed Forces. He stressed, however, that the government's security policy has been proper and is supported by all sectors. He added that the inefficiency problem should be corrected.

The military strategy of deploying forces, openly and directly confronting the subversive groups, preventing their actions in various parts of the country, and decisively facing the [word indistict] challenge will yield positive results in Colombia, Pardo Rueda concluded.

Congress Approves Electoral Law; Sets Election Dates

PA1009010693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 8 Sep 93

[Report by Azucena Lievano; From the "24 Hours" newscast]

[Text] The micro electoral law, as it has been called in Congress, was approved by the first commissions of the Senate and the Chamber on 7 September. Dates for upcoming elections were set. Congressional elections and the Liberal Party vote has been scheduled for 13 March; the presidential election is scheduled for 8 May. The second round will be held three weeks after the election. Elections for governors, deputies, and mayors will be on 20 November. National Registrar Luis Osorio requested that registration be closed two months before the elections to save money and to facilitate organization of the entire electoral process.

[Begin Osorio recording] The financial aspect is really what concerns me the most. For instance, extending the registration process for two or three months implies wasting 2.4 billion pesos each month, which is a considerable amount. [end recording]

Voting procedures for Colombians living overseas were also established, even though there were proposals such as that of Senator Gerlein during the 7 September session.

[Begin Gerlein recording] Then, why can't we just have rural people identify themselves with any document? Maybe not with a passport, but with that thing for driving.... [pauses] the driver's license, as is done in the United States. [end recording]

It was also established that the deadline for those candidates who have to register will be set by the national registrar and that high school graduates over 18 can be voting officers during the coming elections.

FARC Expands in Cundinamarca Department

PA1009035393 Santa Fe de Bogota EL TIEMPO in Spanish 1 Sep 93 p 13a

[Text] The kidnapping of industrialist Carlos Upegui Zapata and the massacre of 13 men of the Elite Corps of the Police have not only evidenced the real military power of the 22d Front of the FARC [Revolutionary Armed Forces of Colombia], but also, as the authorities interpret it, confirmed the insurgency's growing advance on the capital.

What is the Armed Forces facing? According to the intelligence service, the 22d Front has 355 men distributed in three commissions, two companies, and one urban support network formed by militias which have headquarters in, at least, 15 lower-class sectors in the south of the capital.

An X-ray of the 22d Front, made by the police's subversion experts after the massacre of 13 members of the Elite Corps on 4 September, confirms that in 1993 the front has unfolded and multiplied its radio of action.

Currently, the front is formed by the 'Hermogenes Maza,' 'Jaime Pardo Leal,' and 'Juan De La Cruz Varela' commissions and the 'Jose Azoategui' and 'Miguel Bonilla' companies. In Bogota, the front's collaborators are in neighborhoods in Boza, Ciudad Bolivar, and Soacha.

The 'Hermogenes Maza' commission is headed by four guerrillas known as 'Ivan Vargas,' 'David,' 'Roldan,' and 'El Negro Alfonso.' the 'Jaime Pardo Leal' commission is led by Evangelista Largo, aka 'Miller Parada'; Henry Castellanos, aka 'Edison Rumana'; Fernando Mejia, aka 'Joselo Rodriguez'; and Edgar Carvajal, aka 'Alvaro Guerrero.'

The authorities have clearly identified nine other guerrilla chieftains and now know that the 22d Front has an alarmingly large area of influence at rural level.

The analyses conclude that the front currently occupies rural sectors and municipal capitals in 41 municipalities of the department in the north, south, east, and west of Cundinamarca Department.

That distribution is due to the importance given by the insurgent fronts operating in the Eastern Plains to the corridor established by the FARC General Staff in the region to deliver weapons and supplies.

The Escalation

But there is more. On 2 July the police's secret services confirmed what were, up to that moment, only hypotheses regarding the strategy of the 22d Front to consolidate its presence in some important areas of the capital.

The plans, known through the analysis of documents found in the hands of the 'Juan De La Cruz Varela' commission in June, included the setting in motion of a strategy known as the 'Takeover of Cundinamarca'.

The terrorist strategy was confirmed on 30 June after the arrest of Alfredo Arenas, finance chief of the front, who said Alfonso Cano was the mastermind behind the operations in areas of the perimeter of Bogota to bring the guerrilla struggle closer to the capital.

In that sense, police analysts warn of the chain of events that have followed the decision of consolidating the guerrilla presence in the outskirts of Bogota.

Among other actions, today the front is accountable for two rebel takeovers in San Bernardo and La Aguadita, bank robberies, blockades on roads leading to Bogota, the restart of terrorist attacks on the El Guavio and the Mesitas Del Colegio electric plants, and pressures on local mayors to force them to hold regional dialogues.

[Box, p 13a]

Offensive To Search for FARC Caches

The National Police began yesterday a vast offensive against the FARC 22d Front and sent 1,000 new men from the Elite Corps of the Police, the Judicial Police and Investigations Directorate (Dijin), the Gonzalo Jimenez De Quezada and General Santander schools, and the Special Operations Center (Copes) to occupy a vast region of the Sumapaz area.

The displacement of the units is part of an operation aimed at locating hideouts that, according to military intelligence reports, were used to hide weapons and uniforms used by the authors of the massacre.

The operations are being coordinated by 40 officers, and three Bufalo armored personnel carriers, two Bell 212 helicopters, and one communications tracing unit are participating.

The thousand men sent yesterday to the front's influence area are working with the support of three public prosecutors and one official from the Attorney General's Office.

Paraguay

Foreign Minister Pays 'Mysterious' Visit to Argentina

PY1009013793 Asuncion ULTIMA HORA in Spanish 8 Sep 93 p 11

[Text] A mysterious unofficial visit to Argentina is being made by Foreign Minister Diogenes Martinez, who has been in Buenos Aires since yesterday. He received a cordial welcome in that city, and this morning held a working meeting, with an open agenda, with his Argentine counterpart Guido Di Tella. The two foreign ministers met over breakfast at Di Tella's private residence. It is speculated that the two officials will make progress in the negotiations over the Pilcomayo River diversion. Martinez will also become acquainted with the delicate situation at our embassy in that capital.

The foreign minister and Engineer Luis Alberto Meyer, director of the Pilcomayo River Commission, also talked with Fernando Petrella, foreign relations and Latin American affairs secretary; International Trade Secretary Hector Gambarotta; and Juan Jose Uranga, Latin American foreign policy under secretary.

Reliable sources said that the foreign minister's mysterious trip is essentially aimed at defining the terms of the new Pilcomayo River agreement, which the two foreign ministers will sign during Di Tella's visit to Asuncion 12-14 September.

The officials "could resolve the problem" in Buenos Aires, and Di Tella's visit to Asuncion would thus be simply to sign the agreement. In principle this agreement will define the schedule for the beginning of construction on and the closing of the Argentine diversion channel.

Martinez will also get acquainted with the situation afflicting our embassy in Buenos Aires, as there are numerous problems and there is need for urgent changes. Other issues in the agenda will be the illegal situation of Paraguayan immigrants and the issue of trade barriers.

Martinez met with President Juan Carlos Wasmosy at Government Palace at noon yesterday. Hours later he departed for Buenos Aires on a private trip, accompanied by Engineer Luis Alberto Meyer.

The foreign minister did everything possible so that his trip might not to be noticed. He even misled his driver, who took him to an unidentified place in Luque, from which place Martinez jumped into another car to drive to the airport.

Minister, Chief of Staff Deny Creation of 'Elite Command'

PY0909133193 Asuncion HOY in Spanish 9 Sep 93 p 12

[Text] Defense Minister Hugo Estigarribia on 8 September stressed that there is absolutely no intention of creating an alleged "elite commando" within the Army's 1st Corps. Chief of Staff Pedro Ocampos stressed that such a unit is like "a model" within the military institution, and he denied that a special unit was being created.

The defense minister emphasized: "I believe that it only exists in the minds of the people. Such a unit does not exist. There is a vertical chain of command that starts with the Armed Forces commander in chief, who is followed by the military forces commander, who in turn is followed by other ranking officers. Therefore, everything is perfectly balanced."

Ocampos also denied the report, but he added: "1st Corps has always been outstanding in its overall structure."

Civilian-Military Faction Created Within Colorado Party

PY0909223093 Asuncion NOTICIAS in Spanish 9 Sep 93 p 10, 11

[Text] A new civilian military faction will be launched officially within the next few days, called the Nationalist Colorado Democratic Movement (Monadeco) [Movimiento Nacionalista Democratico Colorado], and headed by former Colorado Party Congressman Julio Cesar Vasconcellos (for the civilian sector) and Captains Fretes and Centurion [no first names as published] for the military sector. Julio Vasconcellos Jr. told NOTICIAS that at any moment the movement will release a communique in which the group's objectives and ends will be explained to the population.

A draft of the document, which outlines the organizational part of the movement, indicates that the Political Affairs Department will be headed by Colonel Mario Cano Yegros; the Social Action Department by Nicanor Molinas; the Public Employees Section by Amalia Torres; and the Youth Secretariat by Plinio Oviedo.

Colonels Juan Florentin, Rufinelli, and Osorio [no first names as published], among others, are also mentioned as leaders of the new civilian-military movement.

This is the new bevy of civilian and military leaders that have decided to gather in an internal movement of the ANR [National Republican Association-Colorado Party]. Their open adhesion to the military component is what differentiates them from the other Colorado Party factions.

The Monadeco includes several leaders of the Stroessner militant faction [of the Colorado party] who had openly supported the candidacy of Juan Carlos Wasmosy.

With Wasmosy winning the elections, there were disagreements and a dispersal that outlined a new situation within the internal structure of the Colorado Party.

Some of the leaders of the new civilian-military movement have indicated that the relations that they have with high-ranking military officers are marked by "cordiality and sympathy." They also indicated that in addition to launching the movement into the ANR's internal political arena, it will be marked by a distinct difference with respect to the other movements.

Research into the ideological paternity of the civilian-military movement indicate that it is connected with a long-term political project currently being talked about within the Colorado Party: the emergence of General Lino Cesar Oviedo as a future candidate for the presidential seat at Lopez Palace.

This version has a certain degree of credibility when the movements made by the military chief during the recent presidential elections are taken into account. Oviedo was one of the stanchions of the military sector that permitted the Colorado Party to stay in power. During the general confusion of the election campaign several leaders of the official party indicated that the figure of Oviedo should be enhanced for the general elections of 1998.

Peru

Congressmen React to U.S. Senate Proposal Limiting Aid

PA1009024493 Lima Global de Television Network in Spanish 0100 GMT 10 Sep 93

[From the "Direct Line" newscast]

[Text] Congressmen from various political parties have expressed their opinions regarding the condition imposed by the U.S. Senate's Foreign Relations Committee, which has recommended limiting assistance to Peru until our government compensates the relatives of those people killed when a DEA plane was shot down in the northern part of the country.

[Begin recording] [Deputy Carlos Ferrero, Change 90/New Majority Movement Coalition] In the first place, I don't know if the United States has ever, in the history of Peru and other countries, compensated relatives of its actions' victims. We must address this question first. Also, it's an abuse to link the small amount of aid that the United States is now giving us to this incident.

[Deputy Jorge Torres Vallejo, Democratic Coordinating Group] It is blackmail. Unfortunately, they've got the frying pan in their hands. To deal with this practically, I would say that if we have in fact made a mistake and we are responsible, let's correct our mistake.

[Deputy Ernesto Gamarra, Independent Moralization Front] Peru must adopt a soveriegn and forceful position. It has been proven that this plane flew over Peruvian territory without the authorization of the Peruvian Government, without the authorization of the Peruvian authorities. When a warning was issued, instead of following the instructions of the Peruvian Air Force, this plane disregarded them.

[Unidentified deputy] We have an open mind, and I believe that any difference of opinion should always be cleared up without threats or conditions of any kind. [end recording]

Fujimori on Continuing Campaign for Referendum

PA0909163593 Lima Panamericana Television Network in Spanish 1200 GMT 9 Sep 93

[From the "Good Morning Peru" newscast]

[Text] President Alberto Fujimori has ruled out any change in the date of the referendum. He said that the consultation will definitely take place on 31 October. He also said he will continue to campaign for a yes vote, regardless of anyone's dislike.

[Begin recording] [Fujimori] We are in a transition period; we will have a new Constitution. The president of the Republic has to inform the citizenry of the changes that are occurring in the country and that are being included in the new Constitution.

In this country, there is freedom of press, freedom of expression, and this must be implemented. Nobody, nobody can intimidate me and force me not to speak my opinion. I will continue with this, and, I repeat, I will continue to go out three times a week to visit the poor neighborhoods and the provinces, even if the opposition gets angry.

[Unidentified reporter] What do you have to say about the APRA [Aprista Party of Peru], PPC [Popular Christian Party], and Popular Action Party joining to wage a campaign for a no vote? They say they are not against the people, but apparently they are against you. What would you tell the politicians, the old politicians?

[Fujimori] I cannot deprive them of their old methods. They will always continue being united, because—as I said earlier—they are the 2-percent democracy [sentence as heard]. They feel Peru is one [words indistinct], as if Lima were just La Union Avenue, but Peru has changed tremendously.

These professional politicians, these traditional politicians who have been controlling Peru for so many years, will not return. That is why in all schools and neighborhoods people are saying yes to progress, yes to better schools, yes to better roads, yes to supporting the people. Look at those beautiful children who are learning about their constitutional rights. From the time they are very young they are learning what democracy is and how to defend it. [end recording]

New Foreign Minister Views Nomination, Issues

PY0909200193 Lima EL COMERCIO in Spanish 1 Sep 93 p A5

[Excerpts] New Foreign Minister Efrain Goldenberg told EL COMERCIO on 31 August—during his first formal meeting with the press—that relations with neighboring countries are a priority issue. He added that this has already been confirmed by President Alberto Fujimori with respect to Ecuador, Bolivia, and Chile—particularly with Ecuador and Bolivia concerning cooperation and the easing of tension.

Regarding Chile, Goldenberg said that he did not want to comment yet on the Lima Convention—which was designed to overcome problems over the implementation of the 1929 Treaty—until the Democratic Constituent Congress [CCD] issues its opinion. Goldenberg said the CCD acts with flexibility, clarity, and—above all—autonomy.

Goldenberg praised the support that the CCD is receiving from national institutions and personalities.

Goldenberg was asked about the initial intention of the CCD to ratify the Lima Convention at any cost. He said that despite existing reservations, the legislative branch "is not there to rubber stamp just anything."

"It would be presumptuous as foreign minister to sign something that the CCD will automatically approve," Goldenberg said, stressing that the CCD has the right to gather opinions, observe, and approve or reject anything with absolute autonomy.

Goldenberg said that there are other topics besides the Lima Convention that are currently being analyzed by the CCD and the Foreign Relations Committee. He said he could not comment on concrete results on issues like the Investment-Immigration Program (of the much discussed "Blooming" case [involving the purchase of immigration visas], the regulations for the reorganization of the Foreign Ministry, or on the cases of dismissed diplomats.

Goldenberg said: "Regrettably, I cannot have all the answers on this, my first day at the Foreign Ministry," referring to the fact that at noon he replaced Oscar de la Puente Raygada during a short and private ceremony.

Goldenberg recognized that he was excited about the mission entrusted on him by President Fujimori. He said he had not had direct relations with the president previously, adding that it was probably the presidential advisers who suggested inviting him to cooperate with the government at the Foreign Ministry.

He made respectful comments about the diplomatic function and warned that he will not be a minister "of parties and cocktails." Goldenberg said he will promote and sponsor a "full-time operation" seeking to improve Peru's image and to attract the interest of important world zones and governments.

He said: "I would like diplomats to increase their knowledge about economic issues and about factors that affect world decisions."

Goldenberg stressed: "People want to sell us things, purchase from us, invest in the country, and participate in our privatization program and complementary programs," adding that he was committed to finding adequate answers for such needs and challenges.

"We are not a rich country and must adapt to our reality, but the Foreign Ministry must also produce benefits," Goldenberg said.

Goldenberg said his department is currently studying the need to adjust the possibilities for action according to professional and budget realities. The new minister said he was pleasantly surprised by the palace decor, adding that he had never remotely dreamed of leaving his entrepreneurial life to become a diplomat, which would occupy his entire time.

The minister showed his awareness of his limitations, modestly admitting that he was not an expert in international relations, or a traditional politician—or that he sought to become one. He said that for the time being he wanted to define lines of work and actions before making an inventory of defects. [passage omitted]

Regarding regional and subregional integration, Goldenberg admitted that the matter was not specifically within his jurisdiction, adding that the importance of the issue was directly linked to national interests.

"I am not personally for or against integration. I can only say that I will be for or against integration if it favors or hurts the country," Goldenberg said.

Let us recall that Peru is temporarily out of the Andean Group due to discrepancies over trade and tariffs.

"My position regarding integration is not dogmatic. It is not a matter of saying whether I like it or not. I would simply prefer integration if it is beneficial for Peru, if it is really right," Goldenberg concluded.

Interior Minister on New Strategy Against Subversion

PA1009031193 Lima Radio Programas del Peru Network in Spanish 1800 GMT 7 Sep 93

[Report by Alvaro Ugaz; from the "Newspaper of the Airwaves" newscast]

[Text] The Armed Forces will begin a new antisubversive strategy through an implacable persecution to end the existing terrorist cells in the country, Interior Minister Juan Briones Davila has stated. He added that a specific pressure will be applied against these subversive cells, while the intelligence service will continue to work to capture terrorist leaders.

Regarding the arrest Giovanni Gamarra Puerta, leader of The Destroyers [Los Destructores] gang, the interior minister stated that the gang has been dissolved, adding that there are still some criminals to be arrested.

[Begin recording] [Briones] The leaders, as well as regional and zone leaders, have already been arrested, but some cells remain. Given the government's actions through the Armed Forces, these cells attempt to launch genocide actions to maintain their presence in the news.

The Armed Forces will launch a new strategy against the aforesaid terrorist cells, which are ambulatory. The Armed Forces will persecute these elements in an implacable manner.

[Unidentified reporter] Are they ambulatory cells operating in the provinces and not in the capital?

[Briones] Of course. They are ambulatory cells that move about different regions and in this case launch attacks on least protected towns. Consequently, all our strategy in this area will be adapted to persecute these groups. This will be done outside of the national intelligence system, which will continue to operate, to achieve the arrest of the leaders and [words indistinct]. [end recording]

Briones Davila made the aforementioned statements after attending the incineration of a shipment of 7,780 kg of cocaine paste at the Directorate of Special Operations of the National Police, located in Exfundo Barbadillo. The drugs are valued at approximately $196 million.

On drug trafficking, the interior minister stressed that the government's policy is to impose effective controls on chemical precursors to reduce the drug problem by 40 percent in the Alto Huallaga region.

[Begin recording] [Briones] If we are really able to impose effective controls on chemical precursors, I think the drug problem will be reduced 40 percent in the Alto Huallaga region, because chemical precursors would not be introduced and cocaine paste cannot be prepared without chemical precursors.

I consider that this effort will be directed at imposing controls on chemical precursors, as it will have positive repercussions in control of drug trafficking.

[Unidentified reporter] Minister, on the other hand, it is known that what the police are able to seize in one year is what the Medellin Cartel ship in two days. Is this true?

[Briones] I do not think so. I do not think so. [end recording]

Expert Predicts Continuing Shining Path Operations

PA1009033493 Madrid EFE in Spanish 1712 GMT 7 Sep 93

[Text] Lima, 7 Sep (EFE)—The Shining Path has no chance whatsoever of coming to power, but it has become a "killing machine," which will continue its terrorist attacks for a few more years, Raul Gonzales, a Shining Path analyst, said today.

Gonzales recently returned to Peru after living for 1.5 years in Spain, which granted him asylum when the Shining Path threatened to kill him and the police uncovered a Tupac Amaru Revolutionary Movement plot to kill him.

In statements to "LA REPUBLICA," Gonzales said the Maoist group "is in no condition to take over power, and it will not even be able to destabilize either the government or the Peruvian political system. This was achieved by the Shining Path when it was headed by Abimael Guzman. My perception is that Shining Path is finished because in 1992 (before Guzman was arrested) it had a plan for the military and political capture of the state, and in 1993, it no longer has such a plan," Gonzales added after pointing out that there is no example in history of an instance when power was seized through assassinations and bomb explosions.

Gonzales added that the problem the government faces is "the existence of a minority social sector willing to kill for an adventure of this type." He said that solving this is as important as capturing the other Shining Path leaders.

The analyst was interviewed by "LA REPUBLICA" on the occasion of the first anniversary of the 12 September arrest of Abimael Guzman and 10 other Shining Path leaders, who are serving life sentences at the naval base in the Port of Callao in Lima.

Gonzales was the only analyst who predicted in 1992 the collapse of Shining Path in the midst of its biggest offensive against Lima, which led some people to think that Shining Path would win the war.

Gonzales pointed out that the collapse of this terrorist group began in 1987 when it started to lose influence in the countryside due to the organization of the "Peasant Defense Patrols," civilian militia groups promoted by the Army. These groups displaced the guerrilla from vast zones.

The attack on Lima, which started in 1992 and reached its critical point from April to August 1992, was, according to Gonzales, an attempt by Guzman to incite an eventual foreign intervention in Peru that would legitimize his "popular war." "Guzman realized he had lost in the countryside, so he came to Lima where what had to happen happened: he was captured because his new strategy forced him to expose himself too much," added the expert.

Upon the arrest of the terrorist chief, the government intensified its offensive and captured 2,000 Shining Path members. Among these were 85

of the Maoist group's Central Committee members. More than 400 Shining Path members have surrendered under the new amnesty law, which redeems or reduces sentences for those subversives who surrender or collaborate with the authorities.

Of all arrested terrorists, more than 200 were given life sentences, and others were given 15 to 30 year sentences.

Principal Leaders of Liberty Movement Quit Party

PA1009010793 Paris AFP in Spanish 1601 GMT 7 Sep 93

[Text] Lima, 7 Sep (AFP)—The Liberty Movement, founded six years ago by Mario Vargas Llosa, writer and former presidential candidate, was decimated today when 32 of its main leaders announced their "withdrawal from political party life."

This movement was comprised of a new political class that embraced Vargas Llosa's postulates of "economic freedom within an unrestricted democratic freedom," but, as former senator and businessman Ricardo Vega Llona explained, "that political message was neither understood nor received a minimum amount of support from the population. The government (of President Alberto Fujimori) adopted some of our economic ideas and with its 5 April 1992 self-inflicted coup broke down [rompe] our political proposals to the extent that some of our members have joined the government," Vega added. The businessman said that the November municipal elections confirmed that the Liberty Movement lacked grass-roots support, and this hastened the leaders' decision to withdraw.

Vargas Llosa resigned the movement's presidency last year and remained a rank and file member. The writer has been the most implacable government critic both domestically and abroad since Fujimori's self-inflicted coup.

The Liberty Movement's founding on 21 August 1987 was the high point of a civil insurrection involving large segments of the Peruvian population against attempts by Social Democratic President Alan Garcia to place the banking system under state control. In 1990 the movement joined two traditional parties, namely, the Popular Action and Popular Christian, to launch the presidential candidacy of Vargas Llosa, who was defeated by Fujimori in the second round.

Council of Ministers Approves Draft 1994 Budget Bill

PY[illegible]09034893 Lima EL PERUANO in Spanish [illegible] Aug 93 p B1

[Text] A source at the Economy and Finance Ministry reported yesterday that the public administration budget

for the 1994 fiscal year totals 16.159 billion soles. The draft bill contemplates an accrued inflation rate of 25 percent.

The bill was approved by the latest Council of Ministers meeting. Among the macroeconomic suppositions used to calculate the list of revenues and spending is the estimate that the gross domestic product [GDP] will grow by 4.5 percent.

The budget bill considers an average dollar exchange rate of 2.73 new soles, imports of $4.089 billion, and exports totalling $3.73 billion. This means, according to the projections calculated by our economic authorities, that next year we will have a balance of trade deficit of $359 million.

The Economy and Finance Ministry states that revenues and spending are duly balanced in the 1994 budget.

The Treasury expects to collect 13.5462 billion soles, and to maintain a debt (domestic and foreign) of 2.5894 billion soles.

The source said that the chapter on spending contemplates 9.1658 billion soles for ordinary spending, 3.4886 billion soles for capital spending, and 3.504 billion soles for debt servicing.

The source added that the draft bill contemplates the necessary resources to cover the needs of the central government's salary policy, which will be implemented according to the real capacity of the fiscal coffer, with priority on education, health, and national security. The draft bill also contemplates a schooling bonus and the July and December bonus for workers and dismissed people under state responsibility.

A total of 1.118 billion soles have been assigned to the program to fight poverty. This amount represents 1 percent of the GDP projected for next year.

According to the Economy and Finance Ministry the budget bill aims at continuing and strengthening state reforms, increasing public investments and infrastructure construction, and contributing to a greater rate of economic growth.

The text of the draft bill approved by the Council of Ministers has 26 articles and seven transitory and final dispositions distributed among three chapters.

All dispositions refer to the budget process: approval, implementation, and evaluation.

According to an economic team member the document will be sent to the Democratic Constituent Congress today, where the Budget Committee will begin analyzing it. It was also reported that in the next few days the executive branch will sent to Congress the bills on internal financing and foreign indebtedness.

Uruguay

Protest Issued Over Argentine Trade Barriers

PY1009020993 Montevideo Radio El Espectador Network in Spanish 0000 GMT 10 Sep 93

[Text] Uruguay has issued a protest to Argentina over the difficulties encountered by Uruguayan paper exports in entering the Argentine market. The Argentine Government some time ago established quotas for the entry of diverse products as a way to protect Argentina's local industries.

Officials from the two countries later reached a verbal agreement exempting Uruguayan paper and textiles from the restrictions imposed by the quota system. According to entrepreneurial spokesmen for this Uruguayan industry, Argentina's National Customs Directorate was apparently not officially informed of the agreement, and our paper exports are encountering difficulties entering that country.

Economic Plan Predicts 30 Percent Inflation in 1994

PY0909132993 Montevideo Radio El Espectador Network in Spanish 0930 GMT 9 Sep 93

[Text] The economic team prepared a program for 1994 that maintains in all its terms the guidelines of President Luis Alberto Lacalle's administration. The economic goals are aimed at consolidating in the next few months the gradual stabilization process being implemented.

According to preliminary figures published by EL OBSERVADOR, based on a monthly devaluation rate of 2 percent that will represent an exchange readjustment of 26 percent a year [as heard], the economic team expects an inflation rate of 30 percent for 1994.

The plan also predicts a salary increase of about 33 percent for the public sector and about 31 percent for the private sector. The economic team also predicts that public utilities will increase by 27 percent in 1994. The 2 percent monthly devaluation program shows that the government hopes to keep the exchange policy under control despite the fact that it will be an electoral year.

Peruvian Union Leader Valderrama Requests Asylum

PY0909183393 Madrid EFE in Spanish 2240 GMT 8 Sep 93

[Text] Montevideo, 8 Sep (EFE)—Bank Employees Association sources reported today that Peruvian union leader Carlos Valderrama has sought refuge in Uruguay and undertaken proceedings to be granted asylum.

Valderrama, accompanied by his wife, Irma Guevara, and his son, hopes Uruguay will grant him political asylum in view of his refugee status as recognized by the United Nations.

The Peruvian bank employees union leader, who is charged in his country with being the promoter of 50 attacks, was arrested under the administration of President Alan Garcia. He later was absolved when current President Alberto Fujimori took office.

According to statements published today by the Montevideo newspaper LA REPUBLICA, despite being absolved from charges of belonging to the Shining Path guerrilla movement, Valderrama has asserted he is being persecuted by the Peruvian intelligence service and the National Counterterrorism Directorate.

Valderrama also has said he was the target of an attack that damaged his residence.

Valderrama arrived in Montevideo six days ago and has received support from the Peace and Justice Service (Serpaj), and the Association of Uruguayan Bank Employees, AEBU.

The Peruvian union leader has been lodged at a site belonging to the Catholic Church run by the Dominican friars.

Venezuela

Economic Cooperation Agreements Signed With Germany

PA0909190493 Caracas EL UNIVERSAL in Spanish 3 Sep 93 p 7

[Text] Agreements were signed for three economic cooperation projects, within the framework of Venezuelan-German technical cooperation, during a ceremony that took place at the Foreign Ministry the afternoon of 3 September [as published]. Fernando Gerbasi, Venezuelan acting foreign minister, and Hans Petersmann, the German charge d'affaires, signed these agreements.

The projects, for which Germany has provided various experts and equipment, comprise the following areas: the strengthening of the National Hydrometeorological Services and the School of Wood Crafts in Colonia Tovar, as well as the promotion of the National Meteorological Service.

The three projects—out of a total of nine that deal mainly with the areas of vocational training and environmental protection—will receive about 520 million bolivares from the German Economic Cooperation Ministry.

Petersmann referred to these projects as the reaffirmation of a long and beneficial cooperation between the two countries, thus reflecting the close ties of friendship that have united Venezuelans and Germans throughout the years.

Former President Perez Comments on Pending Appeal

PA1009041593 Caracas Venezolana de Television Network in Spanish 2350 GMT 7 Sep 93

[Report on "exclusive" interview with former President Carlos Andres Perez by unidentified reporter in Caracas; date not given; from the "The News" newscast—recorded]

[Text] [Perez] The situation that has been created is truly amazing. There is an incredible mobilization. First, the republic's public prosecutor general, who should act in good faith, and the court president, who is committed to an historic and important process, that is, the trial of an incumbent president, which is my case, are involved in actions that have surprised the people, as you pointed out.

Also, a great stir has been created around the issue of who should rule on the appeal I filed before the court. Of course, my lawyers studied this very carefully and determined the Political-Administrative Chamber should rule on it. This problem, however, should be settled by the court itself; it should be settled by the Political-Admnistrative Chamber. What concerns us is that there seems to be coercion and undue pressure applied on this high tribunal of the republic.

[Reporter] President, several leaders of the Social Christian Party [Copei], including Paciano Padron, visited the top tribunal and complained that you are friends with magistrates of the Political-Administrative Chamber, and thus, the plenum of the court should rule on this.

[Perez] This seems to imply my friends are on one side and my enemies on the other. I think this is an absurd contradiction. We must trust the organs of national justice.

[Reporter] What would happen should the court or rather the Political-Administrative Chamber, or whatever institution is tasked with issuing a ruling, agrees with the nullity appeal you filed?

[Perez] I am sure the court has no other option than to rule that the Congress' action is null, because there is no doubt that the only way to dismiss me was through a comdemnatory sentence issued by the court. The Constitution specifies that the constitutional term is five years.

[Reporter] This campaign unleashed by Copei is reflected by polls that do not favor your presidential candidate. They are attacking you strongly....

[Perez, interrupting] That is called the Caldera Syndrome. It would be truly regrettable if President Caldera won the elections. I say this calmly because he would return the country to the past, a return to ideas and concepts that disappeared not only in Venezuela but the world.

Unfortunately, the internal struggle of Copei around former President Caldera and Copei founder is so serious that candidate Alvarez Paz is making the mistake of following Caldera instead of carrying out his electoral campaign to demonstrate that he is the right man to govern Venezuela. Caldera was skillful and wise enough to leave Venezuela when the Congress issued its ruling, because he knew he should not link himself to its ruling.

[Reporter] Returning to the issue of the 250 million [currency not specified], at the Controllership Commission of the Chamber of Deputies, Deputy Gonzalo Perez Hernandez presented photocopies of checks and of bank accounts that you reportedly hold abroad. This has created an opinion....

[Perez, interrupting] That has never been said. I repeat, I do not have any kinds of accounts in any bank anywhere in the world; I have never handled a checking account. If that Congress subcommission had a truly healthy, honest, and patriotic interest in settling this case, it would do what it should because the Congress does not have jurisdiction. It should transfer this to a tribunal of the republic to allow it to investigate whether all this is true. A shameful show has been mounted at this Congress subcommission.

[Reporter] They have claimed you refuse to allow them to investigate those accounts.

[Perez] Quite the contrary. I authorized the comptroller general of the Republic and the public prosecutor general of the republic to investigate. I want to facilitate an investigation in any bank anywhere in the world to determine whether I have accounts there. I would not authorize the Congress because it is not empowered to do so. I would be violating the law and fanning this shameful show in the Venezuelan Congress.

Public Employees Begin 'Staggered' Strike

PA0909195693 Caracas EL NACIONAL in Spanish 7 Sep 93 p d-7

[Report by Adela Leal]

[Text] Approximately 273,000 white- and blue-collar public workers are suspending their work starting at 0800 in the morning and for a period of two weeks in a staggered strike that will not stop until the government meets their demand for a pay hike.

The decision was made last night during a general assembly summoned by the union coordinating board, which groups white- and blue-collar workers, at the Venezuelan Engineers Association building.

The coordinating board leaders had met earlier with Interior Minister Carlos Delgado Chapellin, who promised to submit their demands during a Cabinet meeting on Thursday [9 September]. Today at 0800 the union leaders are scheduled to meet with President Juan Ramon Velasquez to tell him their views and to hear directly from him the government proposals.

Engineer Association President Orlando Penaloza Roa warned the public sector professionals demand for a minimum salary of 71,000 is not final, but merely a top figure that can be negotiated.

Meanwhile, Economists Association President Nelson Perez dismissed the statement by the Central Budget Office that the wage increase means an additional 195 billion bolivares in the 1994 budget. He explained that amount can be achieved by redistributing or correcting items of the budget and that for this year the situation can be worked out by granting a bonus, something the striking employees are willing to accept.

Guyana

Jagan: U.S. Visit 'Eminently Successful'

FL0909162793 Bridgetown CANA in English 1532 GMT 9 Sep 93

[Text] Georgetown, Guyana, Sept 9, CANA—Guyana President Dr. Cheddi Jagan has described his recent visit to the United States as "eminently successful" and said he did not feel as restricted as on a previous visit more than three decades ago.

Jagan had met former U.S. President John F. Kennedy at the White House in 1961 while premier of Guyana.

"For me, the atmosphere in Washington was in marked contrast to 1961 when I had met President Kennedy. Then, when ideology and preoccupation with Cuba were dominant, I had felt hemmed in," he said in a national broadcast.

"Now, like the other Caribbean leaders, I felt a warm welcome at the White House to advance our common (agenda) promoting democracy and good governance, stimulating trade opportunity and job creation, protecting the environment and fighting drug trafficking," the president said.

President Jagan and the prime ministers of Trinidad and Tobago, Barbados, Jamaica and the Bahamas met with U.S. President Bill Clinton last week Monday.

The Guyanese leader, 75, also told the nation that bilateral talks he held with the Inter-American Development Bank (IDB), the International Monetary Fund (IMF) and the World Bank unblocked US27 million dollars in aid for Guyana's economic stabilisation programme.

"Additional IDB aid has been offered for our housing and other social programmes," President Jagan said.

He also said he had urged significant debt relief for the region in an address to the General Assembly of the Organisation of American States (OAS).